

BEFORE THE
CALIFORNIA CLEAN ENERGY JOBS ACT
CITIZENS OVERSIGHT BOARD

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
CHARLES IMBRECHT HEARING ROOM
SACRAMENTO, CALIFORNIA 95814

TUESDAY, MARCH 29, 2016

2:34 P.M.

Reported by:
Peter Petty

APPEARANCES

BOARD MEMBERS PRESENT

Kate Gordon, Chair

James (Walkie) Ray, Vice Chair

David Dias, Board Member

Arno Harris, Board Member (Via WebEx)

Randall Martinez, Board Member

Chelina Odbert, Board Member

Steven Sakurai, Board Member

Robert B. Weisenmiller, Ex-Officio Member (CEC)

CEC STAFF PRESENT

Jack Bastida

Armand Angulo

Haile Bucaneg

Drew Bohan

ALSO PRESENT

Heather Baugh, Assistant General Counsel, California Natural Resources Agency

Bill McNamara, California Conservation Corps (CCC)

Sarah White, California Workforce Development Board (CWDB)

PUBLIC COMMENT

Anna Ferrera, School Energy Coalition

I N D E X

	Page
THE BOARD WILL CONSIDER AND MAY TAKE ACTIONS ON THE FOLLOWING ITEMS:	
1. INTRODUCTION AND ROLL CALL OF BOARD MEMBERS TO DETERMINE QUORUM. (Board Vice-Chair James Ray)	5
2. APPROVAL OF MINUTES FROM JANUARY 11TH, 2016 CITIZENS OVERSIGHT BOARD MEETING. (Board Vice-Chair James Ray)	6
3. LEGAL PRESENTATION FROM THE CALIFORNIA NATURAL RESOURCES AGENCY. (Heather Baugh, Assistant General Counsel)	7
4. PRESENTATION AND POSSIBLE VOTE ON ANNUAL REPORT FROM THE CALIFORNIA ENERGY COMMISSION. (Armand Angulo, California Energy Commission)	14
5. PRESENTATION AND POSSIBLE VOTE ON ANNUAL REPORT REPORT FROM THE CALIFORNIA CONSERVATION CORPS-ENERGY CORP PROGRAM. (Bill McNamara, California Conservation Corps)	32
6. PRESENTATION AND POSSIBLE VOTE ON ANNUAL REPORT FROM THE CALIFORNIA WORKFORCE DEVELOPMENT OFFICE. (Sarah White, California Workforce Development)	76
7. PRESENTATION AND POSSIBLE VOTE ON JOBS REPORT FROM THE CALIFORNIA WORKFORCE DEVELOPMENT OFFICE. (Sarah White, California Workforce Development)	88
8. UPDATE ON DRAFT LEGISLATIVE REPORT AND POSSIBLE VOTE ON ACCEPTING REPORT TO THE LEGISLATURE. (Chair Kate Gordon)	121
9. UPDATE ON AUDIT COMMITTEE AND POSSIBLE VOTE ON BEGINNING AUDIT CONTRACT. Update on the Audit Committee's Progress on working on an independent audit of the job creation fund (Staff Member Jack Bastida)	165
10. PUBLIC COMMENT	113

I N D E X

	Page
Adjournment	184
Reporter's Certificate	185
Transcriber's Certificate	186

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
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P R O C E E D I N G S

MARCH 29, 2016 2:34 p.m.

VICE-CHAIRPERSON RAY: Okay, my name is James Ray. Being as Kate, who is Chairman, is not present as yet, I'll open the meeting of the California Clean Energy Jobs Act Citizens Oversight Board Committee.

First of all, I think it's established we have a quorum.

MR. BASTIDA: Yeah, we can call roll, if you'd like.

VICE-CHAIRPERSON RAY: All right, that's good.

MR. BASTIDA: Okay.

VICE-CHAIRPERSON RAY: Let's call the roll.

MR. BASTIDA: Okay. Board Member Ray?

VICE-CHAIRPERSON RAY: Present.

MR. BASTIDA: Board Member Dias?

BOARD MEMBER DIAS: Present.

MR. BASTIDA: Board Member Martinez?

BOARD MEMBER MARTINEZ: Present.

MR. BASTIDA: Board Member Odbert?

BOARD MEMBER ODBERT: Present.

MR. BASTIDA: Board Member Sakurai?

1 BOARD MEMBER SAKURAI: Present.

2 MR. BASTIDA: And we do have a quorum of

3 five.

4 VICE-CHAIRPERSON RAY: Wonderful.

5 BOARD MEMBER HARRIS: Did you call Board

6 Member Harris? Sorry to interrupt.

7 MR. BASTIDA: Oh, nope. Sorry, I didn't

8 see you come on there. Board Member Harris?

9 BOARD MEMBER HARRIS: I am present.

10 MR. BASTIDA: All right.

11 VICE-CHAIRPERSON RAY: Okay, may I hear a

12 motion to approve the minutes from the January

13 11th meeting?

14 BOARD MEMBER MARTINEZ: So moved.

15 BOARD MEMBER ODBERT: Second.

16 BOARD MEMBER HARRIS: So moved, this is

17 Harris.

18 VICE-CHAIRPERSON RAY: Okay, it's been

19 moved and seconded that the minutes from the

20 January 11th meeting be approved.

21 All those in favor, say aye.

22 (Ayes)

23 VICE-CHAIRPERSON RAY: Any nays? Motion

24 carries.

25 Next on the agenda is a legal

1 presentation from the California Natural
2 Resources Agency.

3 BOARD MEMBER SAKURAI: Walkie, do we have
4 an open discussion item somewhere? It's harder
5 at the end. An open discussion item?

6 VICE-CHAIRPERSON RAY: Can we do that
7 when Kate is here?

8 BOARD MEMBER SAKURAI: We can. Maybe
9 later in the agenda?

10 VICE-CHAIRPERSON RAY: Yes.

11 BOARD MEMBER SAKURAI: Great. Thank you.

12 VICE-CHAIRPERSON RAY: Okay, so a legal
13 presentation from Heather Baugh.

14 MS. BAUGH: Good afternoon, Board
15 Members. So, just by way of background, my name
16 is Heather Baugh. I am actually the Assistant
17 General Counsel for the California Natural
18 Resources Agency. To avoid counsel with,
19 perhaps, the staff counsel who represents the
20 Energy Commission, I'm going to be providing you
21 with basic legal services and some, hopefully,
22 entertaining slides about open meetings. As
23 entertaining as that topic can be.

24 Quickly, I have been practicing since
25 2006. I've been at the State since 2008. So, I

1 probably don't know a whole lot about what I'm
2 talking about, maybe I'll wing it and you won't
3 know.

4 So, we're talking about Bagley-Keene
5 today. Kate asked me to quickly speak to this
6 topic because every time we have these new boards
7 or commissions there's always a bit of confusion
8 about, you know, how can we all meet and talk,
9 and be efficient. And I want you to be efficient
10 and be able to do what you think is important,
11 and I want you to be able to do that without
12 people challenging that.

13 So, if you could go to the next slide,
14 please. The purpose of the Act is really not
15 about your vote. It's about your discussion. It
16 wants to provide the public with a seat at this
17 table for all of your discussions.

18 So, it's a little bit different if you
19 sit at local boards and commissions. Local open
20 meeting law often focuses on your decision. The
21 state law focuses on what you say. So, all of
22 that deliberation has to be conducted openly.
23 That's why your poor Board Member is probably on
24 the line and has his address at some location
25 listed on your agenda. So, just keep that in

1 mind.

2 The next slide, please. The Act focuses
3 on the type of body that you are. In order to be
4 covered, you have to be one of the listed bodies.
5 You are obviously covered because you were
6 created by the Legislature.

7 But some ones that often get forgotten
8 about are the following: advisory bodies. These
9 are any bodies that you, as a Board, formally
10 create or your Chair creates that have three or
11 more people. Delegated committees that you
12 create. Governor's committees created by
13 executive order. Or, bodies where a
14 representative member sits on that body and
15 somehow funds in whole or in part.

16 You know, if you have questions about
17 these, you can come and see me, or call me. But
18 typically, the ones that cause the most trouble,
19 you know, are these delegated bodies where you've
20 created a subcommittee or an advisory committee
21 and you want to all do something. Not
22 intuitively, the bigger that body, the easier it
23 is for you all to meet because you are less
24 likely to have a quorum.

25 If you have three or more, and you've

1 made a body of three, you're probably all going
2 to be able to attend and then you have to notice
3 that and it becomes just like this.

4 The fourth one that's on there, this one
5 that's also difficult, is when you sit as an
6 official, for example the Energy Commission, or
7 this Board, on another body and provide in-kind
8 services with your staff.

9 So, just keep that in mind that those are
10 two that often trip people up.

11 The next slide, please. So, I like to
12 put this one on and I like this graphic. I think
13 it does better than the law. Don't go to your
14 friend's birthday party and discuss your vote,
15 right. The graphic is sort of subject for
16 interpretation. It says, always in favor of what
17 we discussed in the e-mail thread. Larry sends
18 birthday, say aye.

19 And, surprisingly, this can happen
20 because you all are very important and people
21 want to invite you to all of their parties and
22 events to get your input. And you're standing
23 around and you're kind of discussing it and then,
24 suddenly, you realize you've got a full vote.
25 So, that tends to be unintentional and not

1 something we want to do, but it shows up in your
2 e-mail string when you say something like, great
3 dinner, thanks for inviting us. So, just keep
4 that in mind that when you're out, you want to
5 make sure that you're not talking about business
6 that would be better talked about.

7 And that includes not speaking through
8 Jack. So, you can't say, you know, does Board
9 Member Ray agree with Board Member Weisenmiller.
10 We want to make sure that Jack can give you one-
11 way directional information, and that he can help
12 you all do your business without talking through
13 him.

14 So, you all know this because this is old
15 hat for you. I can tell this is a very
16 sophisticated body, but I give this presentation
17 to everyone in the State, so just for your
18 benefit today. Ten days' notice for your agenda
19 item and enough information so the public knows
20 you're going to vote on something, if they're
21 interested in it.

22 And I'm here to answer questions and I
23 can help you procedurally, and I can help with
24 other procedural issues, as well.

25 BOARD MEMBER MARTINEZ: Under the third

1 slide, when you talk about advisory bodies, by
2 not having three or more, what is that
3 (inaudible) --

4 MS. BAUGH: So the statute, Bagley-Keene,
5 itself, actually puts that number in there. So,
6 when you create an advisory body of three or more
7 people, formally, that's when it triggers.

8 So, if the Legislature creates a body of
9 two or more people so, you know, that's a body
10 and then it triggers.

11 If you all, as official Board Members,
12 create a body of three or more that's when it
13 triggers.

14 Similarly, if Kate, in her official
15 capacity as Chair does that. So, the statute,
16 itself, does that. If that's helpful.

17 And I did miss a slide, and I just should
18 point it out. It doesn't look like you're going
19 to have this problem, but we don't security check
20 folks. Meaning, we don't require them to
21 identify themselves or tell us who they represent
22 when they provide public comment. And they can't
23 mandate that they sign in or that, you know, seek
24 some kind of permission to participate with you,
25 just so you know.

1 Any other questions? I know we've had
2 that question about the advisory committee, so
3 Jack and I are working on some solutions for you.

4 One possible way for you to think about
5 these groups is rather than commission them, and
6 take formal Board action, is to let those Board
7 Members that are interested to organically meet
8 with others in a non-quorum setting.

9 I think you have five with your quorum.
10 Did I get that correct?

11 MR. BASTIDA: Yeah.

12 MS. BAUGH: Yeah, so as long as five of
13 you aren't meeting to talk about a topic, that's
14 not an official action. And if you haven't
15 created that body, you know, or less, then you
16 can talk about things.

17 BOARD MEMBER ODBERT: So, just for -- so,
18 we can officially establish a committee of less
19 than three --

20 MS. BAUGH: Right.

21 BOARD MEMBER ODBERT: -- if three or less
22 are not officially a committee, but three of us
23 (inaudible) --

24 MS. BAUGH: That's acceptable. That's
25 right, that's exactly right.

1 BOARD MEMBER ODBERT: We can e-mail or --
2 MS. BAUGH: Yeah. I would caution the
3 reply all, but simply because it's the three of
4 you talking and if someone sends it to the fourth
5 and fifth, that becomes a serial communication
6 and we want to make sure that we're not
7 developing a vote before we get up here in that
8 way. You can certainly send all of your e-mails
9 to Jack and he can have one-way communications
10 with you.

11 But yes, if it was more organic and it
12 wasn't formally commissioned, that would be fine.
13 I think we're good.

14 VICE-CHAIRPERSON RAY: All right. Thank
15 you very much, Ms. Baugh.

16 Next on the agenda is the presentation
17 and possible vote on the Annual Report from the
18 California Energy Commission, by Armand Angulo,
19 California Energy Commission.

20 MR. ANGULO: Thank you and good
21 afternoon, Vice-Chair Ray, Board Members, Energy
22 Commission Chair Weisenmiller, as well as
23 everyone in the audience and teleconferencing in.

24 My name is Armand Angulo and I am the
25 Acting Manager of the Local Assistance and

1 Financing Office responsible for administering
2 the Prop. 39 State Energy Jobs Act, the K through
3 12 Program, also known as Prop. 39.

4 On behalf of the Energy Commission I'm
5 excited and very proud to present to you, for
6 approval, the First Annual Report that includes
7 our progress for the Prop. 39 K through 12
8 Program, and the Energy Conservation Assistance
9 Act Education Subaccount, also known as ECAA-Ed.

10 We took great care in preparing a report
11 that provides the required information mandated
12 by enabling legislation, Senate Bill 73,
13 including the data reported by the local
14 education agencies, also known as LEAs, and their
15 completed projects and annual progress reports.

16 This report covers the period from
17 December 19, 2013, when the Prop. 39 K through 12
18 Program implementation guidelines were approved,
19 through December 31st, 2015.

20 We formulated our report to provide this
21 data in easy-to-read spread sheets found in the
22 report appendices. This report provides
23 background on Prop. 39 K through 12 Program, and
24 a summary of Approved Energy Expenditure Plans,
25 also known as EEPs, completed projects and

1 projects soon to be completed as reported by
2 LEAs.

3 In addition, this report includes
4 information on our ECAA-ED Revolving Loan Program
5 and the Bright Schools Program. Both programs
6 were appropriate funds from the Clean Energy Jobs
7 Creation Fund, created by Prop. 39, in fiscal
8 years 2012-14 and 2014-15.

9 I'd like to just provide a brief Prop. 39
10 overview and history. Prop. 39 provides funding
11 for planning and installing energy projects, such
12 as energy efficiency measures and clean energy
13 generation at schools K through 12.

14 Funding for the Prop. 39 Program is
15 planned for five fiscal years, beginning fiscal
16 year 2013-14 through fiscal year 2017-18.

17 The Energy Commission is primarily
18 responsible for administering the Prop. 39 K
19 through 12 Program, correcting, reviewing and
20 approving K through 12 E-P applications, enabling
21 LEAs to implement cost-effective, eligible energy
22 projects that include energy efficiency measures
23 and clean energy generation.

24 The Prop. 39 K through 12 Program began
25 six months after the Governor signed Senate Bill

1 73, in June 2013. Immediately after enactment of
2 Senate Bill 73, the Energy Commission fast
3 tracked program implementation. And on December
4 19, 2013, the Energy Commission adopted the Prop.
5 39, 2013 Program Implementation Guidelines.

6 The Energy Commission continued to
7 expedite program implementation and in January
8 2014, just one month after approving the
9 guidelines, the program released required EEP
10 application forms, program handbook, and energy
11 savings calculators, established an electronic
12 submission process, hired and trained Energy
13 Commission staff, provided ten training seminars
14 and two webinars that reached more than 800 LEAs
15 statewide. And established a program hotline
16 contact center to help out when people call with
17 questions.

18 The Energy Commission received its first
19 EEP in February 2014, and by the end of June 2014
20 had 33 EEPs approved, totaling \$16 million.

21 To Improve the LEA program acceptability
22 and operational efficiency, in February 2015 the
23 Commission internally developed and deployed the
24 user-friendly, online EEP submittal system. By
25 the end of June 2015, 409 EEPs were approved,

1 totaling \$257 million.

2 To further improve program accessibility
3 and efficiency, in 12-2015, the Energy Commission
4 created and released a reporting module to its
5 online EEP system, allowing LEAs to submit their
6 data, the required Annual Progress Reports, and
7 final Completed Project Report, as required under
8 SB 73.

9 LEAs will continue to submit these
10 reports each year, until the end of the program.
11 LEAs are required to submit final Completed
12 Project Reports one year and 15 months after they
13 complete the eligible energy project approved
14 under their EEP.

15 In addition, the Energy Commission was
16 appropriated funded from the Clean Energy Job
17 Creation Fund to enhance its Energy Efficiency
18 Revolving Loan Program for K-12 and community
19 college district. And, was authorized to use
20 funding for Bright Schools Program, providing
21 energy project planning services for K-12 schools
22 and community college districts.

23 Program results up to December 31st, 2015
24 include all Prop. 39, K through 12 Program,
25 approved 714 EEPs, totaling nearly \$500 million,

1 assisted LEAs with the development these plans,
2 and they then correctly reported data from LEAs
3 on the status and completion of their approved
4 EEP projects.

5 The Prop. 39 Program had 17 LEAs complete
6 eligible energy project installation and provide
7 project completion reports. These completed
8 projects represent \$8.6 million in total project
9 costs. Of this amount, \$6.2 million was provided
10 by Prop. 39, K through 12 Program, with the
11 remaining \$2.4 million provided by leverage
12 funding from the LEAs.

13 The reported annual energy savings for
14 these 17 completed projects is over 3 million
15 kilowatt hours and 3,000 therms, which is
16 equivalent to approximately 1,000 tons of
17 greenhouse gas emissions.

18 Analysis from these reports calculated
19 that the combined savings from investment ratio
20 for these 17 projects is 1.26. That means for
21 every dollar invested, \$1.26 is estimated to be
22 saved over the estimated useful life of the
23 energy measure.

24 In addition, 96 LEAs have reported that
25 eligible energy projects are completed and will

1 submit final Project Completion Reports within
2 the next 12 to 15 months.

3 The ECCA-Ed Program approved 27 loans to
4 LEAs and California Community Colleges,
5 representing a total of \$41.4 million. One loan
6 project has completed installation and a final
7 Project Report for this project is expected later
8 this year.

9 And through our Bright Schools Program,
10 technical assistance was provided to 90 LEAs and
11 California Community Colleges, totaling \$1.8
12 million, to identify cost-effective energy
13 projects.

14 In conclusion, the Prop. 39 Program was
15 successfully launched in a very short period of
16 time by a collaboration of departments, with key
17 input by program stakeholders and direct
18 customers. The Program has achieved success and
19 has evolved to maintain process, tools and
20 procedures that maximize program participation,
21 while maintaining the integrity of the program
22 objections.

23 We look forward to the program's
24 continued growth and our partnership with the
25 LEAs, our interagency group and program

1 stakeholders to ensure that we achieve the
2 purpose of the program and serve its customers.

3 This concludes my report overview. I
4 would like to thank you very much for your time,
5 the opportunity to share exciting progress, and
6 your consideration in approving our First Annual
7 Progress Report to you.

8 VICE-CHAIRPERSON RAY: Thank you very
9 much.

10 MR. ANGULO: You're welcome.

11 MR. BASTIDA: Walkie, make sure your mic
12 is on there.

13 BOARD MEMBER SAKURAI: May I ask, are
14 there any Committee Members who have question?

15 VICE-CHAIRPERSON RAY: Yes.

16 BOARD MEMBER SAKURAI: Yes, Armand, thank
17 you.

18 MR. ANGULO: You're welcome.

19 BOARD MEMBER SAKURAI: I just want to
20 make sure it's clear. So, of the -- I guess you
21 have the loan fund, now, but the non-loan fund
22 program total allocated, or the total budget was
23 \$973 million --

24 MR. ANGULO: I'm sorry?

25 BOARD MEMBER SAKURAI: For the total

1 budget amount was \$973 million. Of that, \$500
2 million was allocated. And of that, \$6.9 million
3 has been completed to date. Is that how to think
4 about that.

5 MR. ANGULO: Of the \$973 million?

6 BOARD MEMBER SAKURAI: Yeah, if we had
7 \$973 million budgeted, I guess, for the program,
8 excluding the loans, \$500 million was approved.

9 MR. ANGULO: We've approved 714 EEPs,
10 totaling \$500 million.

11 BOARD MEMBER SAKURAI: Okay.

12 MR. ANGULO: That was up to December
13 31st.

14 BOARD MEMBER SAKURAI: And of those --
15 okay, so of that \$500 million approved, how much
16 was completed so far, \$6.2 million?

17 MR. ANGULO: So far, that reported for
18 our December project was 17, with about 100
19 completed now, but they still need the -- they
20 will still need the 12 months of energy use.

21 BOARD MEMBER SAKURAI: And what is that
22 in terms of dollars, is the \$6.9 million?

23 MR. ANGULO: I don't have that number for
24 the hundred.

25 BOARD MEMBER SAKURAI: The hundred, okay.

1 Do you have a sense of how much, in terms of
2 dollars, have been completed?

3 MR. ANGULO: I don't, but I can get that
4 for you.

5 BOARD MEMBER SAKURAI: Thank you.

6 BOARD MEMBER ODBERT: Could you just
7 explain or clarify --

8 MR. BASTIDA: Make sure your mic is on.

9 BOARD MEMBER ODBERT: It's on. In
10 Appendix B and C, can you just help me understand
11 how I should take the difference between the two
12 numeric columns at the far right, so reported
13 Proposition 39 share spent, versus reported
14 amount spent for measure inclusion?

15 MR. ANGULO: Yeah, no problem. I don't
16 have that with me but --

17 Haile, do you have those, so we can look
18 at those?

19 BOARD MEMBER ODBERT: It looks like their
20 the same number so --

21 MR. ANGULO: So, you're talking A and
22 which one?

23 BOARD MEMBER ODBERT: B or C, they both
24 look the same.

25 MR. ANGULO: And what was your question,

1 again?

2 BOARD MEMBER ODBERT: I'm just not sure
3 that I understand the difference between the two
4 columns, so I just want to make sure I'm reading
5 it correctly.

6 I can show you here, if you like. I just
7 want to understand what the two columns are.
8 They seem to have the exact same numbers.

9 MR. BUCANEG: So, we asked the LEAs to
10 report both the total amount that they spent for
11 project installation, as well as the amount of --

12 THE REPORTER: Excuse me.

13 (Off the record at 2:55 p.m.)

14 (On the record at 2:56 p.m.)

15 THE REPORTER: Okay.

16 MR. BUCANEG: Thank you. Just to go
17 back, the question was regarding the Proposition
18 39 share reported versus the measure cost
19 reported. Which, in Appendix B is typically --
20 is usually the same amount.

21 What we ask the LEAs to report during the
22 annual progress report is to measure cost -- the
23 total measure cost expenditure expended so far to
24 date. That is the total cost that they have
25 spent in implementing the measure.

1 We also ask them for a second amount,
2 which is the Proposition 39 share spent to date,
3 which is the amount of funds, Proposition 39
4 funds which have been used in implementing the
5 project.

6 Typically, because the project is not
7 completed, most LEAs will use Proposition 39
8 share first, and completely use up that amount
9 before using their cost share amount. Which
10 means that when a progress report is done, if the
11 progress isn't completed, they're usually partway
12 through funding the entire project, which is why,
13 typically, the Proposition 39 shares equal to the
14 Prop -- or the amount of measure costs spent to
15 date.

16 As the project goes forward, then we see
17 things like leveraging coming into play, where
18 things like rebates or other cost share funds are
19 implemented. And at that time, we typically see
20 more variation between the Proposition 39 share
21 and their actual measure cost.

22 BOARD MEMBER ODBERT: Thank you, thank
23 you.

24 MR. BUCANEG: Sure.

25 BOARD MEMBER ODBERT: And then the ones

1 that are zero in both columns, does that mean
2 they didn't have an allocation or they just
3 haven't spent any, yet?

4 MR. BUCANEG: Yes. Annual Progress
5 Reports are for projects that have been approved,
6 so they've been allocated funds. So, you're
7 correct, that means that they have not started
8 installation, yet.

9 BOARD MEMBER ODBERT: Great, thank you.

10 VICE-CHAIRPERSON RAY: Other questions?
11 Please.

12 BOARD MEMBER MARTINEZ: One question on
13 the loan program.

14 MR. ANGULO: Yes.

15 BOARD MEMBER MARTINEZ: I believe it was
16 about \$42 million worth of loans thus far. Are
17 those direct loans from the CEC and does the CEC
18 actually service the loans?

19 MR. ANGULO: Yes, we do, in the direct
20 loans.

21 BOARD MEMBER MARTINEZ: Thank you.

22 VICE-CHAIRPERSON RAY: More?

23 BOARD MEMBER DIAS: Yeah. On this, I
24 guess, SIR or SIR, you know, savings to
25 investment ratio, and it says net present value

1 of savings divided by project installation costs,
2 subtracting project rebates and other non-payable
3 funds. Is that -- when it comes to net savings,
4 is that over time or is it --

5 MR. ANGULO: That's over time.

6 BOARD MEMBER DIAS: How much time?

7 MR. ANGULO: It depends on the estimated
8 usable life of that energy measure. Like if it's
9 estimated to last 10 years, it would be ten
10 years.

11 BOARD MEMBER DIAS: Okay.

12 MR. ANGULO: It just depends on what
13 measure they're installing.

14 BOARD MEMBER DIAS: Okay, so there's
15 nothing like per-year savings or anything like
16 that?

17 MR. ANGULO: No.

18 BOARD MEMBER DIAS: Okay, thank you.

19 VICE-CHAIRPERSON RAY: As for myself, can
20 you tell us how much of the -- how much of the
21 projects were bundled with other projects? By
22 way of example, do you have projects where the
23 SIR was, say, two, and it was bundled with one
24 that was, say, .5, to result in a --

25 MR. ANGULO: I would have to mine that

1 data. I would have to mine that from our
2 information. Yeah, I understand what you're
3 asking, but I don't have that readily available.

4 VICE-CHAIRPERSON RAY: To your knowledge,
5 is it a frequent occurrence?

6 MR. ANGULO: I wouldn't say frequent, no.
7 Well, the majority of them we're seeing, I guess.

8 VICE-CHAIRPERSON RAY: I beg your pardon?

9 MR. ANGULO: It's the majority of them,
10 that we're seeing a lot more leveraging to bring
11 it down, the SIRs.

12 VICE-CHAIRPERSON RAY: And then, finally,
13 you indicate the savings in therms and kilowatt
14 hours. What are the savings in dollars from
15 these installations?

16 MR. ANGULO: The savings from dollars,
17 estimated right now, is about \$42 million.

18 VICE-CHAIRPERSON RAY: Annually?:

19 MR. ANGULO: No, to this point, of all
20 the ones we've approved. It is annual, yes.

21 VICE-CHAIRPERSON RAY: So, we can expect
22 to realize savings into the indefinite future, of
23 about \$41 million plus any other efficiencies we
24 introduce?

25 MR. ANGULO: Yes. Yes, for the estimated

1 useful life of that particular measure, for that
2 project.

3 VICE-CHAIRPERSON RAY: Okay, thank you
4 very much.

5 Okay, at this time I'll entertain a
6 motion to approve -- if there are no other
7 questions. Are there other questions?

8 BOARD MEMBER SAKURAI: Yes. Maybe this
9 is more for Jack, but I'm trying to understand
10 what our obligation is in terms of the
11 legislation.

12 So, one of the things included, I better
13 find it, so in the draft of the report to the
14 Legislature, how much are completed, counting all
15 expenditures each year. And then the next part
16 of it, post that information to a publicly-
17 accessible internet website.

18 So, what I'm not sure and I guess what
19 I'm hoping to get for the report sometime is, you
20 know, we know how much has been budgeted. We
21 know how much has been approved. But we actually
22 don't know how much has been expended of that.

23 So unless -- I think that's a key part of
24 accepting this. I mean, this is kind of -- I
25 don't know if that's something that staff could

1 get before the end of the meeting, so we could
2 act on this? Because I think that's a key number
3 in the report.

4 MR. BUCANEG: So, if you look on
5 Appendix, I believe it's A. I know for sure it's
6 on A and B. We have the measure, the measure
7 costs spent to date on Appendix A.

8 BOARD MEMBER SAKURAI: Okay.

9 MR. BUCANEG: The same for Appendix B, we
10 have the Proposition 39 shares that the measure
11 costs to date.

12 Those are the amounts that to date, for
13 the final Project Completion Reports, which is
14 Appendix A, that's where that entire energy
15 expenditure --

16 BOARD MEMBER SAKURAI: So, of the 500
17 approved, how much has been spent of the Prop. 39
18 portion?

19 MR. BUCANEG: I would have to look at the
20 Appendix. I believe we have the total.

21 BOARD MEMBER SAKURAI: Okay. No, I don't
22 need it right now. Could you --

23 MR. BUCANEG: Oh, sure.

24 BOARD MEMBER SAKURAI: It's okay, take
25 your time, take a look at that and maybe, you

1 know, before the meeting get back to us, if it's
2 available, you know, what that number is.

3 MR. BUCANEG: All right.

4 BOARD MEMBER SAKURAI: Okay, thank you.

5 VICE-CHAIRPERSON RAY: Steve, do you want
6 to hold that item open until --

7 BOARD MEMBER SAKURAI: Yeah, my
8 preference is to hold it open because I don't
9 want to accept a report that we don't -- because
10 if this is going into the report to the
11 Legislature, I want to make sure that we
12 understand it right.

13 VICE-CHAIRPERSON RAY: Okay, I understand
14 completely.

15 MR. ANGULO: We'll get it, we'll provide
16 that for you today.

17 VICE-CHAIRPERSON RAY: How long do you
18 think it will take you to --

19 MR. ANGULO: Here, in a few minutes,
20 we'll interject and say we have that.

21 VICE-CHAIRPERSON RAY: Yeah, I know, it
22 doesn't get -- take your time and I'd rather have
23 it right, than rush.

24 MR. ANGULO: Okay.

25 VICE-CHAIRPERSON RAY: Thanks.

1 VICE-CHAIRPERSON RAY: So, with that in
2 mind, I'm going to move on to the next item, this
3 item being unresolved.

4 Which is Item 5. It's a Presentation and
5 Possible Vote on the Annual Report from the
6 California Conservation Corp - Energy Corps
7 Program.

8 Mr. McNamara, can you give us your
9 report?

10 MR. MC NAMARA: Well, first of all thank
11 you, very much, for inviting us here to make this
12 presentation.

13 VICE-CHAIRPERSON RAY: It was on.

14 MR. MC NAMARA: It was on, great. Okay,
15 thank you very much for inviting us here. Good
16 afternoon to you all.

17 So, I have a presentation format of the
18 report, which is in slide form. And a couple of
19 things, I wanted to start out, first, by saying
20 that the California Conservation Corps, as
21 context, receives \$5 million per year of funding,
22 Prop. 39 funding. And we are tasked to apply
23 that funding in concert with our main focus as
24 being a work-learned program for young adults in
25 California, between 18 and 25, and returning

1 Veterans up to 29.

2 Those funds, that the California
3 Conservation Corps receives, are used primarily
4 for the following goals. So, it's energy
5 industry training. So, again, it's a work-
6 learned training program where we take these
7 young adults and we introduce them to all of the
8 concepts and the training required to be
9 effective within the energy industry.

10 We teach them how to do two basic -- I
11 mean, not basic, but two focus points. The first
12 is to conduct energy industry audits, which are
13 ASHRAE-compliant, Level 2 energy audits. We're
14 focused only on K through 12 schools.

15 The Energy Corps, the CCC's operating
16 unit is called the Energy Corps. The Energy
17 Corps, itself, does more than Prop. 39 funded
18 work. But one of the major component parts of it
19 is the Proposition 39 funded work.

20 We work throughout the State. We have a
21 total of 26 operating centers throughout
22 California. Of those, nine of those centers are
23 where we dispatched the Energy Corps crews to
24 perform the work of doing ASHRAE-compliant, whole
25 building energy audits, and also energy

1 efficiency retrofit or energy efficiency measure
2 installations for K through 12 schools. And I'll
3 go through the results of that as we move
4 through.

5 Again, we are focused on retrofits, and
6 surveys, and also the distribution of
7 information, primarily best practices that can be
8 applied independent -- well, usually, associated
9 with some kind of funding activity. But even
10 within the normal maintenance, O&M operations of
11 a facility. They could make use of these best
12 practice guidelines that we prepare for all of
13 the entire building, as well as all the
14 subsystems in those buildings.

15 So, the main services, again, that we
16 provide are both low-cost and no-cost Energy
17 Opportunity Surveys. Which means we apply the
18 Proposition 39 funds that we receive specifically
19 for those purposes by training the Corps members
20 and then deploying them throughout the State.

21 These Energy Opportunity Surveys that we
22 produce, again, are ASHRAE Level 2,
23 approximately, not quite. Meaning, we don't do
24 the data recording aspect of it, but all other
25 parts. But they are a whole building perspective

1 of the entire facility.

2 We also offer the low-cost retrofit side,
3 which means that the Proposition 39 funds are
4 applied for paying for the installation, all
5 aspects of installation, but not the materials,
6 themselves, which would be provided by the K
7 through 12 LEAs.

8 So, in terms of from the time that the
9 program was first begun, which we began receiving
10 funds in 2013, July 2013, and in January 2014 we
11 began to actually deploy the trained survey crews
12 out and across the State from these nine
13 different locations that are CCC Operating
14 Centers.

15 And from that point in time until the
16 present, we have performed right now, from a
17 school perspective, and most schools have
18 multiple buildings, from a school standpoint we
19 have performed 1,216 of these comprehensive
20 energy audits for LEAs throughout the State. And
21 that composition is about 11,433 buildings.
22 Which, by the way, comes out to about 10
23 buildings per school. And that was a debatable
24 point early on about how many buildings there
25 really were within the K through 12 world. And

1 as it turns out, we estimated about 10 and it
2 turns out to be about that much.

3 In terms of square footage of all of
4 those buildings, we're looking at more than 66 --
5 I can't quite read it from here, but
6 approximately 66 million square feet of building
7 space that have been surveyed.

8 In terms of the actual number of LEAs
9 that have received the services of the CCC, on
10 the survey side, on the energy audit side, we've
11 done work for 325 of these LEAs throughout the
12 State.

13 And one of the focuses of the CCC, in
14 terms of its directions, was to make sure that
15 the LEAs, that there was a larger number of the
16 surveys that were performed for the schools or
17 LEAs that had an ADA, or the average daily
18 attendance numbers of 5,000 or below.

19 So, we've actually done about 269, which
20 is about 83 percent of all of our survey work,
21 for ADA 5,000 or less. And ADA 5,000 or above,
22 about 56, or about 17 percent.

23 Another aspect of that, according to
24 Proposition 39, was also a focus on the free and
25 reduced price meal qualifications. So, if you

1 look at the ADA component of all of these LEA
2 facilities, you would want to -- we, in any case,
3 we wanted to make sure that we provided a larger
4 percentage of our services to the combination of
5 ADA 5,000 or less and more than 50 percent or
6 more on the free and reduced priced meal side.
7 So, to date we've done 249 of these LEAs, and
8 that's about 77 percent.

9 Now, if you look at the tables, not to
10 suggest that you want to do that right at the
11 moment, but the tables that are provided here
12 also show the distribution of these Energy
13 Opportunity Surveys from an LEA count
14 perspective. So, of those 325 LEAs, you can see
15 the counties that they're located in.

16 So as you can see, out of the
17 approximately 2,000 LEAs throughout the State,
18 these are K through 12 LEAs, we've done, you
19 know, as I said, 325. We have a total of about
20 400 LEAs that have applied for our services. And
21 in that time frame we've managed to do about 325.
22 So, there's still another 75 that we haven't been
23 able to get to at all.

24 And the other aspect of it is that the
25 work that we're doing was also parsed out in

1 terms of a distribution, so we may not in fact
2 have gone to a particular LEA and done a hundred
3 percent of their school facilities. Rather, we
4 would do a swath of those.

5 So, for example, in the case of a
6 relatively small LEA, we probably would have done
7 a hundred percent of the energy audits or surveys
8 for those schools.

9 But in the case of the larger LEAs, we
10 may have done only a small number. In the very
11 largest LEAs, for example Los Angeles Unified,
12 San Diego Unified, et cetera, we have done or we
13 are doing approximately 30 of those school
14 facilities.

15 In the case of Los Angeles Unified, those
16 30 are all charter schools that are operating
17 within the LA Unified area. So, not actually the
18 LA Unified schools, but the charter schools that
19 operate under their auspices.

20 So, again, that's consistent with our
21 focus towards 5,000 ADA or less, and a very high
22 percentage of free and reduced price meals.

23 So, that's the information on the survey
24 side.

25 The next slide is referring to the

1 retrofit program. So, one of the things we were
2 looking at this was how do we -- you know, how to
3 obviously on the survey or audit side, it was a
4 matter of how do you get to a very competent
5 perspective of what the actual status of all of
6 these school facilities. Not just for the
7 present tense of submission of coming up with a
8 plan, an energy plan to submit to the CEC for
9 approval, but to give them a very comprehensive
10 view of every aspect of these buildings.

11 And so as part of that, as an extension
12 of that, which we have accomplished greatly on
13 the auditing side, we decided that we would take
14 a portion of the Prop. 39 funds and apply it
15 towards training these young Corps members, and
16 professionally supervising them, to do retrofits,
17 installation of retrofits.

18 Now, we understood that it was not a
19 turnkey solution for the schools, for the LEAs,
20 but rather we were focused on making sure that
21 their money went as far as possible. And so that
22 we could offset the installation costs for these
23 things and train these young Corps members to
24 become very proficient on these types of retrofit
25 installations, in preparation for job

1 opportunities within the energy industry.

2 So looking at that, we've done -- this
3 work began in the fall of 2015. So, from that
4 point to the present we've done a total of 25 of
5 these K through 12 LEA schools. And that looks
6 like a total of about 37,724 lighting -- I'm
7 sorry, we started with lighting as one of the
8 most obvious and sort of low-hanging fruit
9 opportunities, and also one of the most common
10 retrofits that would be installed from an energy
11 efficiency standpoint.

12 So, most of these lighting installations
13 or retrofits are replacement of fluorescent units
14 with LED type fixtures, and appropriate ballasts
15 or -- and, also, there are upgrades based on,
16 like, from a T-12 to a T-5, high-energy
17 efficiency in some cases. But most of it is LED
18 retrofits and including, you know, all of the
19 fixtures. So, we've done about 37,724 of these
20 lighting fixtures across these 25 K through 12
21 LEA schools.

22 And from that standpoint, we've also done
23 Title 24 compliant controls, lighting controls
24 for example. And we've done about 4,500 of those
25 to go with the other retrofits, as part of the

1 retrofit packages.

2 And from the LEA perspective, you know,
3 again we focused on a much higher percentage of
4 ADA 5,000 or below, so we've done about 17 of
5 those, or 74 percent of those.

6 And again, the retrofit work began in the
7 fall of last year. And the mix, the original mix
8 was ten of our survey crews, of young Corps
9 members to do the surveys. And now, that mix is
10 six retrofit crews and four survey crews.

11 Now, there's a balance. The amount of
12 work that we've been asked to do by these LEAs is
13 greatly -- much, very much more than we can
14 actually do, the CCC, under current funding.

15 But also, the other aspect of doing the
16 retrofit projects is they take a lot longer to
17 do. Obviously, they're much bigger projects,
18 there's a lot of physical installation and more
19 time.

20 So, the numbers on the
21 retrofit/installation side are still significant,
22 but they are not as large, of course, as on the
23 survey side. So, we've done, again, on the FRPM
24 side, on the free and reduced price meal, again
25 ADA 5,000 and below, and free or reduced price

1 meals. Again, our focus is to do primarily those
2 types of activities, but still provide the
3 services to anyone who's applied.

4 The process of making these services
5 available has been a combination of direct
6 outreach to the LEAs, every LEA throughout the
7 State, through regional meetings, through
8 localized meetings, as well as to provide an
9 online application form.

10 And I mentioned a backlog. So, at the
11 present time we have a backlog of about two and a
12 half years' worth of work, at a rate of four
13 crews operating full time, every day.

14 And on the retrofit side, there are,
15 again, several years' worth of activity, which
16 are currently backlogged in terms of requests.
17 We don't propose that we'll actually get to all
18 of those, but we are in fact receiving more and
19 more of those requests from LEAs to do these
20 installations.

21 And the next slide, when he gets to it.
22 One of the things that, you know, from a training
23 perspective, and we'll catch up on the slide side
24 here in a moment, to give you an idea, the number
25 of Corps members that have been trained on the

1 Energy Opportunity Surveys -- and remember, that
2 Corps members come in to the CCC for a period of
3 a year. They sign up for a year, but they could
4 stay as long as up to three years, depending on
5 their success, and their interest, and their
6 promotion within the CCC.

7 So, we've trained about 491 Corps members
8 since July of 2013 to do the Energy Opportunity
9 Surveys. And we've trained about, on the
10 retrofit side, about 169.

11 So, there's a table here, which I'll let
12 you read at your leisure, about how many hours
13 have been spent training on the many aspects.
14 One aspect of that is OSHA-10 and 30. You know,
15 where you want to do different things, you need
16 the ladder training, you need the safety training
17 in addition to the actual technical training
18 that's associated with these particular
19 activities.

20 And the total on the staff side, we've
21 trained about 40 of the CCC staff people. These
22 are primarily in-the-field supervisors. We do
23 our training in conjunction with Community
24 Colleges, as well as other entities throughout
25 the State, in a cooperative mechanism that

1 encourages much future cooperation, as well as
2 present collaboration.

3 The next slide. One of the things that's
4 hardest to quantify, or at least we have found to
5 be hardest to quantify for this activity, is the
6 number of jobs that are created. Now, again,
7 it's an energy -- it's a jobs-related program,
8 Proposition 39, at least a major aspect of that
9 is.

10 So, what we were doing is we were
11 reporting here the number of actual jobs that we
12 know have been created, and Corps members have
13 actually gone to, while they were in the CEC.
14 Meaning, before they finished their actual term
15 as a CCC Corps member.

16 So, we've done -- you know, there's been
17 more than 30 of these Corps members that have
18 been hired away. And these positions that
19 they're being hired into are relatively good
20 paying positions. This is on both the survey
21 side and the retrofit side.

22 And we have an outstanding set of
23 requests for more than 120 Corps members at
24 present from different partners. So, the Energy
25 Corps, itself, the Proposition 39 funded Energy

1 Corps is all about collaboration and
2 partnerships, both on the training side and on
3 the working with LEA side, as well as also
4 working with other entities, who are also working
5 in the same field to deliver services to the K
6 through 12 schools.

7 So from those collectives, we have more
8 than 100 -- or requests for more than 120 Corps
9 members when they're "finished", or fully trained
10 and have full work experience. And that number
11 grows every day.

12 So, that gives you a sense of the overall
13 activity, and the results, and the impact of what
14 we're doing with the \$5 million that we're
15 provided each year.

16 Now, my apologies, this report is not in
17 a format, I think, that is consistent with what
18 is finally required. So, I would recommend to
19 you, respectfully, that you don't accept this
20 report in the sense that I will prepare it and
21 provide it for you in its fully compliant form.

22 But the this, the information in here is.
23 So, that gives you a sense of that.

24 CHAIRPERSON GORDON: Great. Thank you,
25 Bill. And I'm so sorry to everybody for being

1 late. There was an accident on 80 and I was
2 stuck for 40 minutes, going 5 miles.

3 VICE-CHAIRPERSON RAY: Fortunately, it
4 wasn't you.

5 CHAIRPERSON GORDON: It wasn't me. So, I
6 really apologize.

7 And I also just, because I'm not sure if
8 it happened, yet, wanted to welcome David Diaz to
9 the Board, who is our newest member, appointed by
10 the Controller. Thank you.

11 Oh, sorry. Our newest member, appointed
12 by the Controller, so welcome. You've been
13 thrown right into the fire here, David, so I'm
14 glad you're here.

15 So, are there questions for Bill on the
16 Conservation Corps report?

17 Go ahead?:

18 BOARD MEMBER MARTINEZ: Yes, Mr.
19 McNamara, thank you for the presentation. A
20 couple of questions. On the backlog that you
21 mentioned, how do you deal with the backlog? Is
22 it first-come, first-serve?

23 MR. MC NAMARA: Well, when we first made
24 it publicly aware, or made it available that
25 there were Energy Opportunity Surveys that were

1 no cost Energy Opportunity Surveys, we came up
2 with a -- you know, a FIFO system, first in/first
3 out. And we took -- we gave some slight
4 advantage in the queue position to ADA number,
5 but not substantial. Meaning, it wasn't the
6 case, for example, that somebody who applied four
7 or five months after the first person applied
8 would get higher up in the queue than they were,
9 because they had an ADA of, say, 500, as opposed
10 to 6,000.

11 But in general, it is first-come, first-
12 served based. It does have some positioning in
13 the queue that is affected by ADA 5,000 or
14 above -- 5,000 or below, sorry. And also, on the
15 FRPM, free and reduced price meal statistics.

16 BOARD MEMBER MARTINEZ: Thank you. The
17 second question, do I recall correctly from,
18 perhaps, a previous presentation that you made,
19 that while you're conducting surveys on energy
20 efficiency, you're also conducting assessments
21 on water efficiency and making recommendation
22 accordingly?

23 MR. MC NAMARA: That is correct. So, not
24 using this funding for that purpose. We have
25 water funding from the State, which separately

1 does that activity. But what we have done is
2 combined the activity from a time standpoint and
3 from an opportunity standpoint.

4 Now, this was not the case throughout the
5 entire history of all of what we're doing. This
6 happened in the last year. And so, we have
7 combined the energy audits with, you know, the
8 concept being that water conservation is also a
9 form of energy conservation and, therefore, it
10 should be part and parcel to this.

11 And we have -- separate from Prop. 39
12 activities, we have had a total of eight water
13 conservation crews that have gone out and just
14 done water conservation audits.

15 So, it's a combination of the two. The
16 water conservation funding is now finished, so we
17 are carrying forward in our other activities by
18 including the water conservation aspects as part
19 of the survey.

20 MR. MC NAMARA: If you haven't already
21 done so, I would certainly find that information
22 in your report, when you put it together.

23 MR. MC NAMARA: I'd be happy to provide
24 that.

25 MR. MC NAMARA: Thank you.

1 CHAIRPERSON GORDON: And if people could
2 speak up, I know it's really hard to hear in here
3 because of this air conditioning, or whatever it
4 is. So, please do speak up.

5 BOARD MEMBER ODBERT: I have two just
6 clarifying questions. In terms of the Corps
7 members trained versus those hired, is it right
8 to use this number of -- is it right to say that
9 of the 491 trained, approximately 150 have either
10 been hired or potentially could be hired?

11 MR. MC NAMARA: No.

12 BOARD MEMBER ODBERT: Okay.

13 MR. MC NAMARA: So, of all the Corps
14 members trained -- now, the number of Corps
15 members that are trained, we actively have 100 to
16 110 Corps members that are deployed under Prop.
17 39 funding at any one point in time. But the
18 nature of the California Conservation Corps is a
19 relatively short duration. You know, so we have
20 Corps members who come in for six months, or one
21 year, and there is turnover as well. So, that's
22 why that number is substantially higher than it
23 would otherwise be, if we would say like a one-
24 year program, two-year program.

25 BOARD MEMBER ODBERT: Right.

1 MR. MC NAMARA: But from the body of --
2 we're not currently constituted to track where
3 the Corps members go after they leave the
4 California Conservation Corps.

5 However, during the exit interview
6 process, and also in working with the
7 collaborative partners, we get direct feedback
8 from them saying, this is wonderful. It's kind
9 of like a try-before-you-buy approach, in the
10 sense that they get to work with these Corps
11 members either as a crew, or on an interim basis.
12 And then they tell us, okay, we'd like to hire
13 some of these. And then we work with them, and
14 if a Corps member wants to go and work for them,
15 there's a great thing. And then we replace that
16 Corps member with another Corps member.

17 So from that number, and these are very
18 conservatively stated, we know that there are
19 more than 30 Corps members that have actually
20 gone while they were -- before they finished
21 their term with the CCC, who were drawn away from
22 the CCC and employed directly by, you know,
23 identified companies and entities who have had
24 the experience of working with them and wanted to
25 hire them.

1 We also know that there are more than
2 120 such Corps members. In many cases, the
3 partners are very conscientious about not taking
4 them away from the program but, rather, as soon
5 as the program's done they would like access to,
6 you know, talk to them to see if they could hire
7 them into that new role.

8 BOARD MEMBER ODBERT: So, that roughly
9 suggests that there is plenty of demand for those
10 that are currently being trained through the
11 Prop. 39 funding?

12 MR. MC NAMARA: I would say that's a very
13 safe statement. I would say that's a very
14 understated point.

15 BOARD MEMBER ODBERT: Okay.

16 MR. MC NAMARA: The demand side -- well,
17 this is not just true for us, but in the energy
18 industry, the demand side of, you know, trying to
19 fill replacements of people who are retiring, as
20 well as other people, and the growth of the
21 different aspects of the energy industry, there's
22 a very high demand for people who have trained.

23 BOARD MEMBER ODBERT: Right.

24 MR. MC NAMARA: And it's a very, you
25 know, relatively small set of people who have the

1 kind of experience to fill these new positions or
2 replacement positions. So, yes, the CCC is
3 developing quite a substantial, recognizable
4 brand or reputation in the provision of these
5 types of services, and the training, the quality
6 of the training and experience.

7 For example, a contractor hiring, and
8 wants some of the people who have been hired
9 here. Some of these Corps members have done 800
10 to 1,000 energy audits. Well, and they've done
11 it on a paper version, they've done it on
12 software versions. I mean, they've done it in
13 every aspect, every subsystem in the entire
14 building. So, that's not an experience set that
15 is always available to potential employers.

16 BOARD MEMBER ODBERT: Great. And one
17 more question, if you don't mind.

18 MR. MC NAMARA: Yes.

19 BOARD MEMBER ODBERT: So, do you have any
20 data or do you track, in any way, how many of the
21 schools, where LEAs, where you've done energy
22 audits go on to then apply for funding and
23 actually implement some type of project? I know
24 you do the retrofits, but outside of, you know,
25 those that may use your energy audit to inform a

1 proposal for some other type of Prop. 39 project?

2 MR. MC NAMARA: So the answer to that is
3 we do have some of that information, but we don't
4 have a comprehensive set of that information.

5 For example, we know that in many cases
6 the LEAs that we serve, either -- well, primarily
7 on the Energy Opportunity Survey side of the
8 world. On the retrofit side we know very
9 precisely.

10 BOARD MEMBER ODBERT: Sure.

11 MR. MC NAMARA: But on the survey side
12 of the world we know how many we've done and we
13 can track how many of those have sent in EPs, to
14 the CEC. And in some cases we know directly that
15 they used our Energy Opportunity Surveys and
16 recommendation sets which, also, by the way, the
17 things that we provide, we provide fully
18 populated calculators for the CEC's use, and do
19 all the SIR calculations, everything that they
20 would possibly need.

21 BOARD MEMBER ODBERT: Right.

22 MR. MC NAMARA: Well, I shouldn't say
23 that. But everything that it appears that they
24 will need.

25 So, we know there's some correlation

1 there, but we don't know how many in total have
2 gone on to do projects. We can only do a gross
3 level matching of who's submitted a proposal for
4 approval, and received approval, and who we have
5 done our work for.

6 BOARD MEMBER ODBERT: Right. Okay, thank
7 you.

8 MR. MC NAMARA: You're welcome.

9 CHAIRPERSON GORDON: Other questions
10 from -- sorry, other questions from the Board?

11 I am actually not entirely sure how to
12 proceed. And I'll ask Jack, do we need to
13 approve what we have in our report or do we
14 just -- how do we proceed, given that he said --

15 MR. BASTIDA: Well, we took the
16 information that they provided to us and
17 incorporated that into our report that we'll be
18 voting on later on. It doesn't matter what
19 format the report is in. But if they wish to
20 submit another format after this is approved,
21 they can do that and the Board can approve that.

22 The only thing that we need is the
23 information that is provided to us, officially,
24 in this report for our report.

25 MR. MC NAMARA: I mean, may I comment

1 then?

2 CHAIRPERSON GORDON: Please.

3 MR. MC NAMARA: So in that case, I'd be
4 happy to either reformat it and provide it, or
5 if this format is okay -- the statistics, and
6 numbers, and all the information in here are
7 correct.

8 MR. BASTIDA: Yes.

9 MR. MC NAMARA: But if that format is
10 okay, then we're fine. If not, I'd be happy to
11 do whatever needs to be done.

12 CHAIRPERSON GORDON: I need a little help
13 on how to articulate this motion because I can't
14 figure it out.

15 BOARD MEMBER SAKURAI: Bill --

16 CHAIRPERSON GORDON: So go ahead, Steven,
17 do you have a sense? Do you have a sense?

18 BOARD MEMBER SAKURAI: I don't. I mean,
19 we're all trying to figure this out as we go.

20 But one of the things, in terms of
21 compliance, I keep on looking back on the report,
22 which really references the legislation. This is
23 less -- this is more quantitative than
24 qualitative. And it sounds like the qualitative
25 aspects of this are quite strong, especially long

1 term.

2 But in terms of meeting what our
3 obligation, it says, "A complete accounting of
4 all expenditures each year".

5 So, how long would it take to get those
6 expenditures and forward them to Jack?

7 MR. MC NAMARA: Not long at all. In
8 other words, we have the -- you're exactly right,
9 there is not, in this, an accounting of our
10 expenditures, but we do have detailed accounting
11 of all of our expenditures.

12 BOARD MEMBER SAKURAI: Okay.

13 MR. MC NAMARA: So, if I can have a week
14 or so, I can have our folks prepare that and
15 present that, as well.

16 BOARD MEMBER SAKURAI: So, that was --
17 Chair, before you arrived --

18 CHAIRPERSON GORDON: Yeah.

19 BOARD MEMBER SAKURAI: -- the one minor
20 request was to have an open discussion.

21 Basically, I want to understand what our
22 obligations are, what our goals are in terms of
23 timing, and create a timeline to meet the goal.
24 You know, some time to basically make sure we
25 meet our obligation.

1 And since, really, the questions along
2 those lines and understand the timing, when do we
3 absolutely have to get things in?

4 And also, for staff, and also the
5 different people reporting, to give them format
6 to follow so that they know what's expected of
7 them, when they're coming and submitting.

8 CHAIRPERSON GORDON: Okay.

9 BOARD MEMBER SAKURAI: So, I'm not sure
10 when we're going to have that discussion --

11 CHAIRPERSON GORDON: I'm not sure,
12 either. Probably during -- Jack and I were
13 conferring, and the agenda that's in our binders
14 is not, in fact, the public agenda, which does
15 include an item to discuss our own report to the
16 Legislature, which is not in this draft agenda.
17 So, just so you know, that item does come on the
18 agenda as Item 8, after the presentation from the
19 California Workforce Development Office.

20 So, I think that's the right -- I think
21 what we should think of doing now is approving
22 the agency reports, or asking for clarification
23 where we need it, or adjustments where we need it
24 from the agency reports.

25 And then, during our discussion of our

1 own report to the Legislature, let's have that
2 open conversation about what are our obligations.
3 Does that make sense? Or, do you want to have it
4 sooner?

5 I mean, one thing I will say, to be fair,
6 is that we have received all of the agency
7 reports much later than we were promised to
8 receive them. So, it was less about them not
9 knowing what they needed to do and more about,
10 frankly, just the time -- everyone came up
11 against the time deadlines.

12 BOARD MEMBER SAKURAI: So I guess the
13 question is when is our report due to the
14 Legislature?

15 CHAIRPERSON GORDON: Tomorrow.

16 BOARD MEMBER SAKURAI: Tomorrow.

17 CHAIRPERSON GORDON: Yep. Ninety days
18 after the beginning of the year.

19 BOARD MEMBER SAKURAI: That's pretty
20 soon.

21 CHAIRPERSON GORDON: Which, because it's
22 a leap year, is the 30th of March.

23 BOARD MEMBER SAKURAI: Wonderful.

24 CHAIRPERSON GORDON: Yes.

25 BOARD MEMBER SAKURAI: So, I guess this

1 submittal is not going to be our best submittal.

2 CHAIRPERSON GORDON: Given -- I mean,
3 it's one question that we have for Jack in an
4 open discussion, and I don't know if this is the
5 moment, is what happens if we don't submit? I
6 don't even know the answer to that.

7 MR. BASTIDA: I don't know.

8 BOARD MEMBER SAKURAI: I mean, one thing
9 for our consideration is submit something. And I
10 think that, first of all, whoever drafted this,
11 and it says it's the Chair and Jack, thank you, a
12 lot of work was done on that. So, it's a
13 pretty -- it seems like a pretty good first step.

14 And I think what we're working towards,
15 you know, once we get -- you know, now we have
16 legal counsel. We're in the process of
17 understanding the timelines, and cost. And,
18 hopefully, we'll develop a scope of work for the
19 audit.

20 CHAIRPERSON GORDON: Right.

21 BOARD MEMBER SAKURAI: And --

22 CHAIRPERSON GORDON: Which doesn't have
23 the same timeline, thank goodness, so --

24 BOARD MEMBER SAKURAI: Okay, good.

25 CHAIRPERSON GORDON: -- yeah.

1 BOARD MEMBER SAKURAI: And then, you
2 know, to make sure we're in good shape for the
3 next submittal.

4 CHAIRPERSON GORDON: Right.

5 BOARD MEMBER SAKURAI: Basically, goals
6 and the budget, and even formats for people to
7 follow. And I think this one here is a good
8 example where, you know, substantively it's a
9 very solid, strong, good report. It's just
10 missing that one reporting piece. Which, you
11 know, from a material perspective, dollar-wise,
12 you know, it's probably less than a percent. So,
13 maybe that's not something in their overall
14 reported for.

15 And that's what it is, we put -- the
16 CEC's on hold. We want to make sure we have the
17 base level reporting items from the CEC report,
18 if available. And it sounds like it is
19 available.

20 CHAIRPERSON GORDON: Well, let me ask,
21 actually Heather. Hi. Let me ask you, since
22 you're here, and it is material to this
23 conversation, because we can't really figure out
24 whether we have to approve your report without
25 understanding the answer to Steve's question.

1 We know that we have 90 days after the
2 beginning of the year to give the annual report
3 to the Legislature. We have actually known that
4 since the first meeting we had. That has always
5 been the case.

6 We also could not write that report
7 without a fair amount of input from the agencies,
8 not all of whom had the ability to give us what
9 they needed to, in the time we needed it.

10 So, some of these we're seeing for the
11 first time, in fact, in final form.

12 What happens, given all that, what
13 happens if we don't -- what are our options?

14 MS. BAUGH: So, I'm --

15 VICE-CHAIRPERSON RAY: Actually, you need
16 to speak into the microphone.

17 CHAIRPERSON GORDON: Oh, yes.

18 MS. BAUGH: Yes, yes.

19 CHAIRPERSON GORDON: Thank you.

20 MS. BAUGH: So, here's the -- the legal
21 answer is it's a ministerial deadline. Meaning,
22 you know, there's no enforcement against the
23 Board if you fail to report. But I'm going to
24 tell you that you should meet your deadline
25 because that is appropriate.

1 However, it sounds like your question's
2 really about encumbrance, which is how the State
3 shows it has spent the allocated money. Right,
4 so we have an appropriation that says you have
5 the budget now, we have the money coming in from
6 the taxes, but how do we show that we've actually
7 spent it? We call that encumbrance.

8 And I can't tell from your report, but do
9 you actually pay for the retrograde work, as
10 well, or is it simply a \$5 million allocation to
11 CCC and then you spend it each year, as baseline
12 budget?

13 MR. MC NAMARA: It's \$5 million to the
14 CCC and these are -- this is the way the money
15 was spent.

16 MS. BAUGH: Work that you do. So, I
17 actually think you have the answer because
18 they've encumbered the money by hiring the Corps
19 and they're spending -- you're spending down the
20 money, you don't have remainder, right?

21 MR. MC NAMARA: Yeah, down to zero.

22 MS. BAUGH: Yeah, so your answer is
23 they've encumbered \$5 million.

24 So, when you go to write your report to
25 the Legislature that is the answer, that that

1 money has been spent by CCC.

2 And then the substantive analysis, and
3 how it has been spent, and whether
4 programmatically or audit looks at that in a
5 certain way, or one way or another is different.
6 So, for that purpose I think you're good.

7 But I would respond to them. And if you
8 all have gaps in terms of understanding what's
9 been encumbered versus what's been appropriated
10 and approved, you might also be able to work
11 with me through my Deputy of Finance. Maybe we
12 can pull the agency budgets that we have and tell
13 you. For example, CCC's within Resources Agency
14 as one of the divisions.

15 And then, for the LEAs that you don't
16 have, you know, I think you say we have a hold
17 here and this information's coming. Provide what
18 you have and we'll do a supplemental report that
19 you can approve at your next meeting.

20 CHAIRPERSON GORDON: Right.

21 MS. BAUGH: That would be what I would
22 recommend you do. And they will take it, even
23 though there's more than one. They probably
24 won't read it when you turn it in tomorrow, and
25 no one's going to come after you if you don't.

1 But I do think you should meet that deadline just
2 because it was set legislatively.

3 CHAIRPERSON GORDON: So, just to
4 summarize, essentially -- well, actually, two
5 things. One, just as I guess a reminder that the
6 report to the Legislature and the audit are two
7 different things, as you know, Steve, and
8 everyone knows. So, there's a requirement on
9 tracking the money in the audit report that
10 isn't the same requirement for the report, for
11 the legislative report, which is much more of a
12 findings and recommendations report.

13 But to summarize you, Heather, I think
14 what you're saying is that your recommendation is
15 that we vote -- we try to vote today to approve
16 submitting tomorrow, with an acknowledgement of
17 gaps, and with any amendments that we decide on
18 today.

19 MS. BAUGH: That's exactly right. So,
20 then the next meeting you would --

21 CHAIRPERSON GORDON: And then present a
22 supplemental report.

23 MS. BAUGH: Do a supplemental. That
24 would be my recommendation to you.

25 CHAIRPERSON GORDON: Does that make sense

1 to everybody?

2 BOARD MEMBER SAKURAI: Makes sense.

3 MS. BAUGH: Okay, great.

4 CHAIRPERSON GORDON: And we can
5 certainly, during our discussion on Item 8, talk
6 about actual amendments to the report we submit
7 tomorrow.

8 I know Arno, who I think is on the phone,
9 has an amendment to suggest. And people, others
10 may have things they would like to discuss. So,
11 we can do that during Item 8.

12 MS. BAUGH: And then, you might, Member
13 Sakurai -- am I saying your name correctly?

14 BOARD MEMBER SAKURAI: Sakurai.

15 MS. BAUGH: I'm sorry about that.
16 Formatting the submittals so that they know what
17 information you're trying to seek, because I
18 agree that it's about what you've expended from
19 the fund, and so encumbrance is really the key.

20 BOARD MEMBER SAKURAI: Yeah.

21 MS. BAUGH: And I think some of them
22 sound like they're doing great alone, which is
23 great, but that takes them, you know, three to
24 five, and they've got three and five encumbrance
25 times. So you might think about that. And I can

1 help you with that, too, offline, Kate, and we
2 can talk about that.

3 CHAIRPERSON GORDON: Perfect. So, we'll
4 discuss putting a cover letter on tomorrow's
5 submittal that talks about the gaps that we're
6 trying to cover.

7 BOARD MEMBER SAKURAI: Well, I think Bill
8 made a good point.

9 CHAIRPERSON GORDON: Yeah, if we can come
10 up with answers today, absolutely. If we can't,
11 then we can do the supplemental filing.

12 MS. BAUGH: Okay.

13 CHAIRPERSON GORDON: All that said, that
14 said, how do we want to handle the motion for
15 this item, on the report that I guess we have
16 some gaps and the formatting issue. So, maybe we
17 just -- do we have a motion?

18 BOARD MEMBER SAKURAI: And I think
19 Heather can help us with the motion. Basically,
20 you know, I think it's along the lines of
21 accepting the report, calling the budget item an
22 encumbrance, and describing it as so, such as
23 reflected by the statute.

24 MS. BAUGH: So, I agree with that. So, I
25 would recommend that you make just that motion,

1 that you accept the report as it's been drafted
2 and the information that they full encumbered the
3 \$5 million appropriated, which has been spent
4 down to zero. And then someone can second that
5 and you can decide whether you want to do that.
6 So, you'll have all of the relevant information
7 you need.

8 CHAIRPERSON GORDON: Right, I'm just
9 trying to figure out if that motion includes a
10 change to our report, or whether we have to make
11 a separate motion.

12 MS. BAUGH: You're going to have Item 8,
13 which is going to talk about your report.

14 CHAIRPERSON GORDON: Which is where we're
15 going to do that.

16 MS. BAUGH: So, just let's focus on his
17 report.

18 CHAIRPERSON GORDON: Let's just focus on
19 this report.

20 MS. BAUGH: And then I'll help you with
21 8, if we need to do that.

22 CHAIRPERSON GORDON: Great. Steve, are
23 you going to make that motion after --

24 BOARD MEMBER SAKURAI: I will make the
25 motion to accept the CCC's report, as drafted,

1 describing it as an encumbrance, and will follow
2 up with a future report in the future.

3 BOARD MEMBER ODBERT: I second.

4 CHAIRPERSON GORDON: You want to call?

5 MR. BASTIDA: Sure. Board Member Gordon?

6 CHAIRPERSON GORDON: Aye.

7 MR. BASTIDA: Board Member Ray?

8 VICE-CHAIRPERSON RAY: Aye.

9 MR. BASTIDA: Board Member Dias?

10 BOARD MEMBER DIAS: Aye.

11 MR. BASTIDA: Board Member Martinez?

12 BOARD MEMBER MARTINEZ: Aye.

13 MR. BASTIDA: Board Member Odbert?

14 BOARD MEMBER ODBERT: Aye.

15 MR. BASTIDA: Board Member Sakurai?

16 BOARD MEMBER SAKURAI: Aye.

17 MR. BASTIDA: Board Member Harris?

18 BOARD MEMBER HARRIS: Aye.

19 CHAIRPERSON GORDON: Okay, it's

20 unanimous. Thank you, Bill, and thanks for your
21 great work.

22 MR. MC NAMARA: Thank you.

23 CHAIRPERSON GORDON: Up to, to date, on
24 the program.

25 I think, are we going back to the Energy

1 Commission at this point? Okay, so I understand
2 we had an item tabled. We had the Energy
3 Commission conversation tabled pending a data
4 request from Steve Sakurai.

5 BOARD MEMBER SAKURAI: Yes.

6 CHAIRPERSON GORDON: And, actually, I
7 don't know the nature of that request, so it will
8 be great to hear it.

9 BOARD MEMBER SAKURAI: So, the nature of
10 the request, the request was along the same
11 lines. Basically, 973 -- I don't know the
12 numbers, but 973 plus or minus has been budgeted
13 to the CEC, outside loan program. Of that, 500
14 has been approved. And the request was, and I
15 guess this is where I'm kind of gray, from a
16 financial perspective, I'd like to know how much
17 as spent.

18 MR. BASTIDA: Yes.

19 BOARD MEMBER SAKURAI: And maybe through
20 this, so of the 500 approved, and I guess the
21 question is, is that term approved encumbrance
22 or that is an extension?

23 MS. BAUGH: So, I think you have two
24 questions. So, it sounds to me you've encumbered
25 \$500 million. Because when you say "approved",

1 you've put them into contract. Is that correct?

2 MR. ANGULO: We've actually spent \$149
3 million, of which \$109 million was Prop. 39
4 funded. It's different than approved versus
5 encumbered.

6 MS. BAUGH: Okay.

7 MR. ANGULO: Encumbered, to us, is when
8 they enter into a contract to get the job done,
9 correct. We can approve it, then CDE disburses
10 the funds, then they try to encumber it, the
11 LEAs.

12 BOARD MEMBER SAKURAI: Armand, can you
13 put that --

14 MR. ANGULO: But this is how much is
15 spent.

16 BOARD MEMBER SAKURAI: So, of the 500
17 approved, of that how much has been spent of
18 Prop. 39 funds?

19 MR. ANGULO: \$109 million. We've got
20 that in our appendices.

21 BOARD MEMBER SAKURAI: Okay. And then,
22 Heather, spent, does that mean -- is that the
23 term encumbered here?

24 MS. BAUGH: So, I don't think it is. I
25 think that they've actually got both things going

1 on, it sounds like. Is that correct? You've got
2 encumbrances through your grant contracts and
3 then you've got spending that's happening through
4 an intermediary that disburses? Someone's
5 nodding.

6 MR. ANGULO: CDE.

7 MS. BAUGH: So, that's okay. CDE will
8 encumber it, or Energy at one point, but it
9 sounds like they've actually --

10 MR. ANGULO: We approve it. CDE
11 disburses it for it to be encumbered by the LEAs.

12 MS. BAUGH: Yeah, so it's a little bit
13 different in their context. So, it's a direct
14 appropriation to Energy Commission.

15 MR. ANGULO: It's appropriation to the
16 CDE.

17 MS. BAUGH: To the CDE.

18 MR. ANGULO: The school districts send
19 us, can you look at our plan, does it make sense?
20 We look at it technical-wise, from engineering
21 perspective. Yeah, it makes sense, it's cost
22 effective. We approve it. We let CDE know, they
23 disburse it and account for the funds, and then
24 the LEAs will work to encumber it.

25 BOARD MEMBER SAKURAI: So, may I give an

1 example just to make sure I understand. So,
2 let's say that there's a project that costs \$100
3 million. Of that \$100 million, let's say that
4 \$25 million is Prop. 39. When we use the term
5 "encumbered", we're talking about the hundred
6 because the hundred is for the overall project,
7 and it's in the form of a contract.

8 So, relative to the Prop. 39, we've spent
9 25.

10 MS. BAUGH: So, I should clarify this for
11 you. So, the way -- so, the State will
12 appropriate to the Department of Education.

13 MR. ANGULO: Yes.

14 MS. BAUGH: I think, how much did they
15 appropriate, \$500 million? I don't understand
16 from your numbers what they fully appropriated
17 there.

18 MR. ANGULO: It was \$970 million.

19 MS. BAUGH: It was \$970 million. It
20 sounds like they have encumbered \$500 million.
21 Meaning, they have either put in grant or
22 contract that amount. So, they've actually said,
23 we owe this amount.

24 So, I think of an encumbrance as an
25 obligation contractually, or grant-wise.

1 They have implemented -- it sounds like
2 you're saying \$130 million, \$109 million?

3 MR. ANGULO: \$109 million.

4 MS. BAUGH: So, their grantees or their
5 contractors have been able to do \$109 million
6 worth of work. But I would say you have \$500
7 million encumbered, so that's an obligation of
8 the State.

9 BOARD MEMBER SAKURAI: Okay, that's
10 helpful. And I guess, just to further clarify my
11 understanding of this, that means that the total
12 projects are in excess of \$500 million. Because
13 the \$500 million has been approved of the Prop.
14 39 funds, of which \$109 million is --

15 MR. ANGULO: Yeah, that's possible, yes.
16 Yes, you're right.

17 BOARD MEMBER SAKURAI: Great, thank you.

18 BOARD MEMBER MARTINEZ: Now, all this
19 information is in the report already, right?

20 MR. ANGULO: It is. It was. We had to
21 just add it up with a little calculator in the
22 back. So, it was no big deal, but it is in it.
23 It's in the appendices.

24 CHAIRPERSON GORDON: And it's a very
25 comprehensive report.

1 MR. ANGULO: Thank you.

2 CHAIRPERSON GORDON: That's why it took

3 so long, right?

4 (Laughter)

5 CHAIRPERSON GORDON: Just kidding.

6 Steve, do you feel like that answers your

7 earlier question?

8 BOARD MEMBER SAKURAI: I do. Can you

9 just point me to where the \$109 million is?

10 CHAIRPERSON GORDON: I think they added

11 \$109 million from other categories.

12 MR. ANGULO: We did.

13 CHAIRPERSON GORDON: Do you want to --

14 MR. ANGULO: We added \$109 million from

15 the other appendices, A, B, and C.

16 MR. BUCANEG: Right. So, Appendices A, B

17 and C have the amount that's been spent to date,

18 as either the Prop. 39 amount or the total

19 project costs. The total project costs includes

20 other funds.

21 We had those each separate, so the \$109

22 million is the addition of those three

23 appendices.

24 BOARD MEMBER SAKURAI: Okay.

25 CHAIRPERSON GORDON: Great. Do we have

1 feel -- I missed the earlier discussion, so I'll
2 just ask if we feel that we are in a position to
3 make a motion on this, before we deal with that
4 question, that we can make a motion maybe similar
5 to the last one. Or, if people feel comfortable
6 with the report as is, and making a motion on it?
7 All right, does someone want to move?

8 VICE-CHAIRPERSON RAY: I'll move to
9 accept the report.

10 CHAIRPERSON GORDON: Great. Is there a
11 second?

12 BOARD MEMBER ODBERT: Second.

13 CHAIRPERSON GORDON: Thank you. Jack,
14 you want to call.

15 MR. BASTIDA: All right. Board Member
16 Gordon?

17 CHAIRPERSON GORDON: Aye.

18 MR. BASTIDA: Board Member Ray?

19 VICE-CHAIRPERSON RAY: Aye.

20 MR. BASTIDA: Board Member Diaz?

21 BOARD MEMBER DIAS: Aye.

22 MR. BASTIDA: Board Member Martinez?

23 BOARD MEMBER MARTINEZ: Aye.

24 MR. BASTIDA: Board Member Odbert?

25 BOARD MEMBER ODBERT: Aye.

1 MR. BASTIDA: Board Member Sakurai?

2 BOARD MEMBER SAKURAI: Aye.

3 MR. BASTIDA: Board Member Harris?

4 BOARD MEMBER HARRIS: Aye.

5 MR. BASTIDA: It is unanimous.

6 CHAIRPERSON GORDON: Great, thank you. I

7 want to thank you for your additional work. It's

8 great questions, also, from the Board.

9 Okay, moving right along to the Workforce

10 Development Office, Sarah White, with two items

11 on the agenda, actually, because the Workforce

12 Development has two sections of this project.

13 One is the -- well, I don't know which one you're

14 starting with. Are you starting with training or

15 are you starting with jobs?

16 MS. WHITE: Is this on?

17 CHAIRPERSON GORDON: It was on. No, it's

18 off. Yeah.

19 MS. WHITE: Let's start with training.

20 CHAIRPERSON GORDON: Okay, so the first

21 is the Apprenticeship and Training Program. The

22 second is the Jobs piece. We'll start with the

23 Apprenticeship and Training Program.

24 MS. WHITE: Yes. And pursuant to that --

25 well, first of all, let me just say good

1 afternoon, Madam Chair, and Members of the Board.
2 I'm delighted to be here, talking to you again.
3 I am going to talk about the two pieces of work
4 that the California Workforce Development Board
5 does on behalf of Prop. 39.

6 The first piece is the is the job
7 training investments. I will say, pursuant to
8 the conversation that we just had, I have all of
9 the investment data with me. We did not include
10 that in the report, because the report is a
11 report of findings of the training, which is a
12 slightly different focus. But I'm happy to
13 report to you the numbers invested, if that is
14 something you would like to hear.

15 So, really, this is a delight to report.
16 This is so much easier than the job numbers.
17 This is an incredibly successful, nice round, \$3
18 million number invested in Prop. 39 pre-
19 apprenticeship training pilots.

20 And these were -- I will not go into
21 tremendous detail. You have the report. And my
22 colleague, Amy Wallace, reported an interim
23 presentation to you, back in your October
24 meeting, and things have not changed
25 significantly.

1 This is for the first set of pilot
2 projects, which completed at the end of December,
3 last year.

4 So, these are pre-apprenticeship programs
5 for under-served communities, which include at-
6 risk youth, Veterans, and other disadvantaged
7 populations. And they are designed to not only
8 build the energy efficiency workforce, but
9 essentially to provide access to high quality
10 career pathways, and family-supporting jobs in
11 construction, in the construction industry.

12 And these pre-apprenticeship programs
13 use the multi-craft core curriculum, which is a
14 gateway to registered apprenticeship in the
15 trades, and involved in energy efficiency work.
16 And this is a great feature. I don't think we've
17 talked about this a lot. But the point of the
18 multi-craft core curriculum is that often when
19 new folks are in the pipeline to go into
20 apprenticeship it's a long process, right,
21 anywhere from one to four years in a regular
22 apprenticeship.

23 A pre-apprenticeship program prepares you
24 for the math, and reading, and tool level to do
25 that apprenticeship.

1 But the multi-craft core curriculum means
2 that if you take someone who's not familiar with
3 the building trades, and give them a wide
4 exposure to the different trades involved, so
5 that they can align both what their skills are,
6 what their interests are, and where the local
7 demand is before they pick a particular trade.

8 So, you don't have to say at the start of
9 this very long process I want to be an
10 electrician. You can say, I want to learn about
11 all of this, and then you can learn what it means
12 to be an electrician, or a bricklayer, or a
13 glazier, or a carpenter, or a laborer.

14 Right, so wonderful flexibility and a
15 terrific curriculum that has really seen
16 nationwide success, and we're very pleased to be
17 piloting it in these programs here, in
18 California. So, I'm delighted with that.

19 We made six pilot investments, for a
20 total of about \$3.5 million, as well as some
21 technical assistance and capacity building,
22 investments in some development grants.

23 I just wanted to summarize -- this chair
24 is a little slick.

25 (Laughter)

1 MS. WHITE: I'm trying to get up to the
2 mic here and to remind myself to speak more
3 slowly.

4 So, the six pilot programs are listed in
5 your report that was prepared by our technical
6 assistance partners, the Workforce Economic
7 Development Program of the California Labor
8 Federation. It gives an overview of our training
9 and implementation grants.

10 The big story, I think, that is not in
11 this report, is that the target of the initial
12 pilot programs, overall, was to train up to 300
13 folks through this pre-apprenticeship program.
14 We trained over 600. We trained double the
15 amount that we set out to do. Tremendously
16 exciting.

17 And of those, we placed more than 300.
18 Placement is very difficult to do. And if you
19 look at training programs very much, you'll see
20 that placement rates are never particularly high.
21 It's a very big leap from training someone to
22 actually placing them in a job or the next rung
23 in the educational ladder. It's the gold
24 standard. And these programs are doing a
25 tremendous job in doing that.

1 And we can talk more, if you like, about
2 what some of those numbers mean and the sort of
3 snapshot at the end of the year that we gave you
4 in this report.

5 I think that I would also just like to
6 say that as we speak one of our new grantees, the
7 Rising Sun Energy Center, in Alameda County, has
8 just launched their first cohort of 20 women to
9 be trained in pre-apprenticeships in the building
10 trade. This is in an industry that has a two
11 percent female participation, right, nationwide.
12 This is phenomenal work. We're very excited
13 about this.

14 And in the future I should say, we also
15 just awarded the new round of Prop. 39 grants,
16 not included in this report. But the six
17 existing programs, based on their success, have
18 been continued for another year. We have added
19 to that five new programs, two of which were in
20 development in the first round. And we'll
21 continue the technical assistance.

22 And that invests an additional, actually,
23 five and a half million. I can give you more
24 specific numbers, but I'm delighted to have you
25 look at the report, which I think gives you a

1 better flavor and sense of what these programs
2 look like.

3 CHAIRPERSON GORDON: That's great. Thank
4 you, Sarah, great -- I mean, twice the number
5 that you predicted is a great way to show that
6 you met your performance indicators, so that's
7 great.

8 MS. WHITE: Yeah.

9 CHAIRPERSON GORDON: Questions from the
10 Board on this piece of the Workforce Development
11 work?

12 I thought you would ask one, David, go
13 ahead.

14 (Laughter)

15 BOARD MEMBER DIAS: You said you had
16 basically a 50 percent --

17 MS. WHITE: Placement.

18 BOARD MEMBER DIAS: -- placement. What
19 did you actually predict?

20 MS. WHITE: The predictions, my assistant
21 is not here, my analyst, so I do have a paper. I
22 know these -- you know, one thing is that -- yes,
23 it's a 55 percent average placement rate.

24 Depending on the individual program, the
25 predictions were all over the place. Some were

1 much lower, some were much higher, depending --
2 some of these programs have been around a long
3 time working on -- with the building trades.
4 Some are pretty new.

5 So, what we tried to show in our data
6 snapshot was actual outcomes on the ground. So,
7 as opposed to performance indicators which are,
8 as we know, the number of placements made
9 compared to how well you predicted, how well you
10 predicted you'd do placements, to the actual
11 percentage of those who completed training. So,
12 that's what our placement rates are showing and
13 the percentages we have in the report.

14 So for example, if you look at placements
15 as a percentage of target, they're something like
16 150 to 200 percent. Because the people writing
17 these programs never imagined they would actually
18 be able to place as many as they did.

19 When you actually look at the outcomes,
20 the placement as a percentage of those who
21 completed training, it's slightly lower. And
22 that's where you get the 55 percent rate, which
23 is still tremendously high, even if it was a
24 performance ratio. So, we're delighted by that.

25 They actually blew the estimates out of

1 the water.

2 BOARD MEMBER DIAS: Yeah, I actually see
3 that and it's amazing. I actually sat on WIB,
4 which is not WIB anymore, but back up in Napa
5 County. But just getting people over to the
6 building trades, which I sit on, is a very, very
7 good thing. And we actually had massive issues
8 back in the day recruiting quality workforce, a
9 quality workforce. And this is a really good way
10 to go at it and I commend you guys a lot.

11 MS. WHITE: Thank you.

12 CHAIRPERSON GORDON: Chelina, you have a
13 question?

14 BOARD MEMBER ODBERT: Yes. The 81
15 percent of enrolled that completed training, how
16 does that number compare to, say, standard for
17 completion of training? Or, is there a
18 standard?

19 MS. WHITE: There aren't standards, but
20 there are averages. And it very much depends by
21 region, and trade, and so on. That is a
22 fantastically high number.

23 BOARD MEMBER ODBERT: Yeah.

24 MS. WHITE: Completion is very difficult.
25 You know, life happens. Lots of people begin and

1 they drop out for all kinds of reasons.

2 BOARD MEMBER ODBERT: Right.

3 MS. WHITE: Personal and professional.

4 And so, an 81 percent completion rate is really
5 very high. We're delighted with the number.

6 BOARD MEMBER ODBERT: Great, thanks.

7 CHAIRPERSON GORDON: Walkie?

8 VICE-CHAIRPERSON RAY: Yeah, this was
9 mentioned earlier, at the last meeting, there's
10 only one program in Southern California, in Los
11 Angeles. How did it do in comparison with the
12 other programs?

13 MS. WHITE: That program is run by the
14 Los Angeles Trade Technical College, in
15 partnership with other folks in labor, in the
16 community. They did tremendously. They hit 106
17 percent, I think, of their enrollment targets, 76
18 percent completion rate, and 48 percent of those
19 places. Those are terrific numbers.

20 I should also mention that for many of
21 these programs, these are not the final placement
22 rates. Because for those who had cohorts that
23 finished in December, this data was gathered in
24 January, so there's often a six-month lag between
25 completion and placement. So, these numbers may

1 in fact be higher.

2 We also are investing, we have a new
3 investment in Southern California, we're trying
4 to be geographically fair, with the Urban Corps
5 of San Diego County, and another project in the
6 Los Angeles area. So, we do have, now, three
7 programs targeting Southern California.

8 VICE-CHAIRPERSON RAY: Thank you.

9 CHAIRPERSON GORDON: Other questions?
10 Arno, I'm sorry, I've been ignoring you. Do you
11 have any questions for Sarah, on this piece?

12 BOARD MEMBER HARRIS: Sorry, I don't.
13 No, I've been following the conversation and I
14 think I'm good, thank you.

15 CHAIRPERSON GORDON: Perfect. And please
16 do interject if you want to at any point. We
17 will obviously defer to you, since you aren't
18 here.

19 Great. I have had the opportunity to
20 talk to the Workforce Development Board a lot
21 about this, so I have no more questions than
22 I've already peppered them with through the last
23 couple months.

24 But having done a lot of work in this
25 area, in my career, it's extremely difficult just

1 to get these kinds of rates. And it also is --
2 this is a field, the energy field, let me just
3 say, is one that requires a lot of skilled labor.
4 And getting people, as you know, from high school
5 to skilled labor is not an easy path. And these
6 apprenticeship programs are one real way to do
7 that. So, I really commend you for getting these
8 results with that amount of money. So, really,
9 really impressive.

10 Do we have -- do we feel we can approve
11 this piece of the Workforce Development Board
12 report for our -- input into our report? Someone
13 feel they're able to make a motion?

14 BOARD MEMBER DIAS: I make a motion to
15 approve.

16 CHAIRPERSON GORDON: Perfect.

17 BOARD MEMBER MARTINEZ: I'll second that.

18 CHAIRPERSON GORDON: Thank you, Randall.
19 Jack.

20 MR. BASTIDA: All right. Board Member
21 Gordon?

22 CHAIRPERSON GORDON: Aye.

23 MR. BASTIDA: Board Member Ray?

24 VICE-CHAIRPERSON RAY: Aye.

25 MR. BASTIDA: Board Member Dias?

1 BOARD MEMBER DIAS: Aye.

2 MR. BASTIDA: Board Member Martinez?

3 BOARD MEMBER MARTINEZ: Aye.

4 MR. BASTIDA: Board Member Odbert?

5 BOARD MEMBER ODBERT: Aye.

6 MR. BASTIDA: Board Member Sakurai?

7 BOARD MEMBER SAKURAI: Aye.

8 MR. BASTIDA: Board Member Harris?

9 BOARD MEMBER HARRIS: Aye.

10 MR. BASTIDA: It is unanimous.

11 CHAIRPERSON GORDON: Fantastic.

12 Now, we are moving on to Item 7. This is

13 the hard part of the California Workforce

14 Development Board's Prop. 39 job, which is a

15 discussion of calculating the actual jobs from

16 the K through 12 Program, in particular. Which,

17 if you -- as we all know from the last

18 presentation, and if you read our report to the

19 Legislature, is very complicated.

20 So, I'm going to turn it back to Sarah to

21 give us a little walk through that, to the extent

22 that you want to do that. I know you gave this

23 presentation at our last meeting. But would love

24 to have, especially with David here, a little bit

25 of a refresher on what you had to do.

1 MS. WHITE: Sure. I can give a very high
2 level summary. I was hoping that you were
3 approving both with one vote but --

4 (Laughter)

5 MS. WHITE: But at any rate, I did -- for
6 those of you who were here January, I did give a
7 very high level, whirlwind tour of the world of
8 data and the universe of jobs at that time.

9 CHAIRPERSON GORDON: And an animated
10 Power Point. David, you missed that. That was
11 really good.

12 MS. WHITE: Yes, the Disney platform. I
13 gave a slightly more sober version of that
14 presentation, and slightly more detailed, at the
15 Senate hearing later that month, for any of you
16 who were able to listen to that. I thought that
17 today my instructions were not to walk you
18 through the entire report, which is -- which you
19 have in front of you, but to give you sort of a
20 high level view, again of that, and hit some of
21 the key notes, and give you some information
22 about where we go from here.

23 CHAIRPERSON GORDON: That's great.

24 MS. WHITE: So, I think the thing to
25 remember about this incredibly complex universe

1 is that, as you've heard, there are three
2 essential groups of jobs that we're looking at,
3 or funding, or tracking. Those in the Community
4 Colleges, those in the Conservation Corps, and
5 those in the K through 12 world. And that is
6 what we, at the California Workforce Development
7 Board, are charged with tracking, the latter, the
8 K through 12.

9 CHAIRPERSON GORDON: Sorry, hold on one
10 second. Do we still have Board Member Harris?

11 BOARD MEMBER HARRIS: Yes, you have me.

12 CHAIRPERSON GORDON: Great. I'm sorry,
13 there was some technical thing going on here.
14 Great. Continue.

15 MS. WHITE: Okay. So, and so if we look
16 in that, that's the entire universe. When the
17 Legislature and the people of California think
18 about job creation related to Prop. 39, they are
19 thinking of jobs created in that entire universe.

20 What we are looking at is the largest
21 segment of that universe, which is the K through
22 12 jobs.

23 Now, those jobs in the K through 12 LEAs,
24 fall into four different categories, right.
25 There's the direct jobs, the people actually

1 doing the retrofits. And these are blue collar
2 and white collar, both. These are construction.
3 And in construction, the white collar jobs are
4 architects, engineers, those sorts of folks.

5 There are also a group, I think it was
6 about 10 percent in the beginning, of folks who
7 are doing planning and design of these projects.
8 That's another collection of jobs.

9 And then there are some school employees,
10 who are directly employed by the schools, who are
11 doing this work. That's another set of jobs.

12 So, we're tracking all of those and
13 trying to at least if not track them, estimate
14 them to the best of our ability.

15 So, those direct jobs are the vast
16 majority of job creation in the universe of
17 school retrofits. But they are only a small
18 picture of the overall job creation. Those jobs,
19 direct jobs are only about a third, a quarter to
20 a third of the total jobs impact of Prop. 39,
21 which will be the indirect and induced jobs. The
22 indirect jobs being those jobs created among
23 providers in goods and services to the
24 construction industry that is doing the energy
25 efficiency retrofit. And induced jobs, which are

1 the jobs that folks earning money on these
2 projects, when they go home and spend money in
3 their local communities, that is the economic
4 impact that we call induced jobs.

5 That multiplier is very high and creates
6 -- it can be high, from one to four. But it
7 means that for every one job created through
8 Prop. 39, there will be three additional jobs
9 created in the community. So, tremendous impact
10 there.

11 So, when we're talking about the small
12 numbers that we've already tracked, and this is
13 what we're thinking about with the economic
14 impact overall. A few things, now that's the
15 universe.

16 The really important thing, we think at
17 least at this point, that's exciting and
18 different about Prop. 39 job tracking, is that it
19 is the first clean energy policy that requires
20 actual workforce reporting. We know this is true
21 in California. We believe it's true in the
22 country. But we don't have full confirmation of
23 that latter plane.

24 And this provides really accurate data on
25 how to track our efforts to address climate

1 change and provide insight into how to structure
2 future clean energy programs on the jobs and
3 training side, right. So, we make lots of claims
4 about job and economic impacts of energy and
5 climate legislation. This is the way we can
6 actually ground truth those claims.

7 That being said, less than one percent of
8 that data is actually currently available, or was
9 at the time of this report, at the end of 2016
10 [sic]. And that was only for 18 projects within
11 manually collected and matched data from reports
12 that were gathered in August of last year. So,
13 lots of reasons for this and we can explain this.

14 But what we're talking about when we
15 release job numbers right now is a tiny fraction
16 of what we hope to see overall. That's why we
17 focus on, in this report, how we're going to
18 collect that data, why it's important, and what
19 that tiny sliver tells us about the quality of
20 jobs. Which is what I know that you are very
21 concerned about here.

22 So, one thing we've spent some time in
23 the report is that sliver of jobs. And,
24 actually, we have that in additional data, but we
25 haven't yet matched it to CEC records, and we

1 have not cleaned the data, yet. Which is another
2 question, is we do have information on -- jobs
3 information on 52 projects. And of these, we see
4 that a great many of them are employing
5 apprenticeships, apprentice labor, which is a
6 terrific thing. It means that we are, in fact,
7 creating pathways to high-quality jobs. We know
8 that many of these jobs, they are disbursed
9 around the State. We know that they are
10 accessible in lower-income communities or we will
11 know that once we're able to break out the
12 benefits information to show the quality of the
13 jobs.

14 I'm getting ahead of myself here with
15 information that we do know and information that
16 we hope to know.

17 Anyways, I think the point overall is
18 that look for jobs, just like for energy, this is
19 a long. The big, big, big impacts will happen
20 down the road, in two years, and five years, and
21 ten years. And we can think about that now, we
22 can predict that now, but the data that we have
23 today does not show that giant universe.

24 So, we are working with the Don Vial
25 Center, at the University of California at

1 Berkeley, to do the modeling and the analysis of
2 the data. This report that was submitted is
3 their roadmap of how we're going to get to
4 looking at those job impacts once we have a more
5 robust data set.

6 When -- we did not put that in the
7 report, but I am here to say that we are, you
8 know, statutorily required to give an annual
9 report. So, the first quarter of 2017, we'll
10 certainly have a report for you. But we also
11 plan to issue an interim report to the Board on
12 jobs, and the progress to setting up this data
13 system by October 1st of this year.

14 I should point out that the quality of
15 that report, and the detail of granularity of
16 what we can tell you about the jobs created and
17 the quality of those jobs will completely depend
18 on the information that we get out of the data
19 systems. And this is the certified payroll
20 records, automated data system that was brought
21 online this year by the Department of Industrial
22 Relations. Any of you who are working with that
23 system know that it has a number of challenges,
24 technical and otherwise.

25 We have been assured that those

1 challenges will be resolved by this summer,
2 including those challenges which reflect directly
3 on Prop. 39 reporting. We are getting data out
4 of the system. It is not entirely usable at this
5 point. So, we believe we will have a complete
6 data set, or at least be able to report to you
7 our progress that way by the fall.

8 We are also doing a lot of work, as you
9 know, to match those records. One thing we have
10 to do is we get certified payroll records, we
11 have to actually match that to a different data
12 system, which is the CEC collection of
13 information about investments. Because we take
14 the payroll records and we take the investments,
15 and then we get a jobs per million factor. That
16 verified the jobs per million estimates which
17 we've made, based on secondary literature, and
18 allows us to say with more accuracy this is the
19 jobs that have been created, and this is what we
20 predict the jobs and the multipliers to be down
21 the road. So, it really verifies that.

22 There is no scenario in which we actually
23 put our hands on, like an abacus, and county one-
24 by-one, every job created in the State of
25 California related to this. But we can get

1 pretty great and verified academically, and
2 ground-truthed models for what that looks like.
3 And we hope to be much closer to that in the
4 fall.

5 And I'm happy to take questions on all of
6 this, at this time.

7 CHAIRPERSON GORDON: Thank you, Sarah.
8 As we said last time you presented on this, it's
9 a tangled web, but one that we appreciate you
10 trying to untangle.

11 I want to fully understand to what extent
12 or whether you, the Department of Workforce
13 Development, is actually funded to do any of the
14 work you've just talked about.

15 MS. WHITE: We receive no funding to do
16 this work. We are --

17 CHAIRPERSON GORDON: How are you doing
18 it?

19 (Laughter)

20 MS. WHITE: We are mandated to do this
21 work, but we are not funded to do it. We receive
22 funding to do only the jobs training portion of
23 this work.

24 CHAIRPERSON GORDON: Am I correct that
25 you are actually having to take resources from

1 the Job Apprenticeship and Training Program in
2 order to be able to do the job analysis work that
3 you're mandated to do?

4 MS. WHITE: Yes, you are.

5 CHAIRPERSON GORDON: And does that have
6 an impact? What impact has that had on the
7 training and apprenticeship work? Can you say
8 anything about that?

9 MS. WHITE: We have done those specific
10 calculations. It is not -- we have invested a
11 significant amount of money in the data analysis
12 from the University of California, as well as our
13 partners at Department of Industrial Relations to
14 build the automated data system.

15 The work done by the Board to build those
16 partnerships, to analyze this and to herd the
17 entire process.

18 CHAIRPERSON GORDON: That's you, I think.

19 (Laughter)

20 MS. WHITE: Oh, thank you. Is the work
21 that --

22 CHAIRPERSON GORDON: But the money, I'm
23 sorry, just to clarify it one more time, so I
24 completely understand.

25 MS. WHITE: Yes.

1 CHAIRPERSON GORDON: So, for instance,
2 the contract you have with the Don Vial Center,
3 at the University of California, Berkeley, that
4 contract you are paying through -- with Prop. 39
5 funds?

6 MS. WHITE: Yeah, the only Prop. 39
7 allocation that we have, which is the training
8 program, so that goes to pay for the data as
9 well, because we were not given any resources
10 with which to do this. Which, as you can see
11 from my conversation, is an incredibly resource-
12 intensive challenge.

13 And one of the things that, again, we're
14 hoping to do with more staff is to, for example,
15 work with the field so that we get better
16 reporting, so we have more accurate data.

17 CHAIRPERSON GORDON: Great. Thank you
18 for clarifying.

19 Other questions from Members of the
20 Board? I know this is a little bit of a tricky
21 piece of the report, and so are there other
22 clarifying questions?

23 David, you weren't able to ask questions
24 last time Sarah presented, but this is your field
25 so --

1 BOARD MEMBER DIAS: I've read through
2 some of this but, yeah, it's kind of different,
3 vague, maybe, in some ways.

4 CHAIRPERSON GORDON: Turn your mic on,
5 sorry.

6 BOARD MEMBER DIAS: It's just a little
7 bit different and vague in some different ways
8 about the way all the jobs are created and stuff.
9 But I guess it is what it is. I mean, more --

10 MS. WHITE: It's a very, very detailed
11 report about -- mostly about sort of technical
12 methodology that's being used. It's not -- we're
13 going to produce something else, I think, for
14 public consumption, which will be a summary of
15 the graphs, just so it's a really easily
16 digestible picture of, hey, we're talking about
17 these kinds of jobs. Here's what they look like.
18 Here's what the investments will come out with.

19 This is a methodological report, which we
20 wanted to include all of the details. But we're
21 not expecting anyone to master it, or the public
22 is welcome to read it and ask questions, that's
23 why we're presenting it to you. But I don't
24 think it's a -- you know -- well, let me just say
25 that. If you don't have questions, that's fine.

1 (Laughter)

2 BOARD MEMBER ODBERT: Maybe Just some
3 reassurance.

4 CHAIRPERSON GORDON: Sure.

5 BOARD MEMBER ODBERT: From the data that
6 you've received so far from the 18, is it
7 pointing toward being able to provide the data in
8 the depth and comprehensive form that you suggest
9 that you'll be able to? Meaning, is it seeming
10 like what you say we will get to eventually if
11 we're just patient? Is the initial data proving
12 that out?

13 MS. WHITE: Yes, I do think so for the
14 initial data. And it's a little tricky here
15 because the initial data was manually collected,
16 which is because there was no automated reporting
17 system. Which means people made phone calls and
18 went to the field and asked individuals, you
19 know, who they were hiring, and when, and how.
20 So, that is a tricky proposition.

21 We actually got some pretty good data
22 from that because it's very granular, and I do
23 think we were able to, from that, figure out, as
24 I mentioned, a number of the qualities of the
25 jobs. Not so much the number, but things that

1 point to job quality. You know, wages, extremely
2 high, right. And apprenticeships showing that
3 there are career pathways involved, so that's
4 tremendous.

5 We believe that we will be able to
6 continue to get that data. The challenge will be
7 unifying the universe of manually collected data
8 with the automated data. We believe we'll be
9 able to get an even richer sample from the
10 automated data, but the analysis does rely on
11 that system working well.

12 BOARD MEMBER DIAS: And, well, as an
13 example, I sit on our local JATC --

14 MS. WHITE: Yeah.

15 BOARD MEMBER DIAS: Or, actually, the Bay
16 Area Attorney Trust, which is all nine counties.
17 And we have direct hire through Richmond BUILD
18 and --

19 MS. WHITE: Yeah.

20 BOARD MEMBER DIAS: So, we can direct
21 hire out of that. But we also get people not
22 direct hire, that came through that as well. So,
23 how do you track that? So, in other words, they
24 go through our regular process of getting in, but
25 they did go through a pre-apprenticeship program.

1 MS. WHITE: Right. Got it.

2 BOARD MEMBER DIAS: And then we have some
3 that we just direct hire in.

4 MS. WHITE: Absolutely. Well, I think
5 the question is we are not -- it's two separate
6 tracking systems. So, the folks going through
7 what I talked about earlier, the pre-
8 apprenticeship training program, the
9 apprenticeship training programs, are building
10 out what we consider an energy efficiency
11 workforce.

12 The jobs reporting is simply measured who
13 has been hired, in what capacity, on the specific
14 school retrofit jobs. And those are done through
15 certified payroll records. And the certified
16 payroll records tell us whether they were
17 apprentices, whether they were journey level, and
18 that kind of information.

19 So, that's all we're tracking there. We
20 don't know what those pathways look like, but the
21 fact that they're apprentices and we know their
22 average wages is a proxy for the quality of the
23 job, and the fact that there are pipelines there.

24 So that is the individuals and this is
25 where the quality of the data, the timeline for

1 the data comes in, right. Because it's sort of
2 as a contractor is required, on Public Works
3 Projects, which these are, to report certified
4 payroll records, then we pull that information
5 from those.

6 They may report those payroll records at
7 the completion of a project, which may not be for
8 many years. That's one of our challenges.

9 BOARD MEMBER DIAS: Yeah.

10 MS. WHITE: But that's how we get that
11 jobs data. It doesn't sort of matter whether
12 they came through apprenticeship or not, if
13 they're working on that job, we'll have the data.

14 BOARD MEMBER DIAS: Right, but --

15 MS. WHITE: And then we can backtrack it
16 to whether or not they were an apprentice.

17 BOARD MEMBER DIAS: And they're not
18 redacted?

19 MS. WHITE: They are for confidentiality.
20 We get zip codes, but not firms, right.

21 BOARD MEMBER DIAS: That's what I
22 thought. Yeah, okay, thank you.

23 MS. WHITE: Right.

24 CHAIRPERSON GORDON: Randall?

25 BOARD MEMBER MARTINEZ: It sounds like

1 you're surmising that it's a young workforce
2 that's working on these programs, these projects?

3 MS. WHITE: Not necessarily. I think if
4 we look at the -- and I don't have the age
5 breakouts for our pre-apprenticeships. But it
6 would follow the average ages in the trades is an
7 older workforce, but not necessarily -- or a
8 younger workforce, I'm sorry. The trades are
9 generally an older workforce.

10 The folks coming through our pre-
11 apprenticeship courses are, in some cases, like
12 the Conservation Corps folks, are pretty young.

13 Some of the Veterans and some of the
14 folks coming from other industries, who are
15 training to get into this, not necessarily young.

16 BOARD MEMBER MARTINEZ: Thank you.

17 MS. WHITE: We do have -- but there is a
18 youth focus. So, and youth means up to 25 years
19 old. So, there is a youth focus, but not
20 exclusively.

21 CHAIRPERSON GORDON: There is a chart on
22 page 9 of the report that compares the apprentice
23 versus non-apprentice ratio across the projects
24 they were able to review.

25 MS. WHITE: Yes.

1 CHAIRPERSON GORDON: I just wanted to
2 clarify on the projects, because I got confused
3 in reading your report, while there are 18
4 completed projects under the CEC guidelines of
5 what counts as a completion, you actually look at
6 53 projects in order to come up with these jobs
7 data. Is that correct?

8 MS. WHITE: Well, it is both correct and
9 incorrect.

10 (Laughter)

11 CHAIRPERSON GORDON: Like so many things.

12 MS. WHITE: I love saying that. What is
13 true that the 18 is simply the number for which
14 we have certified payroll records matched to
15 completed CEC projects.

16 CHAIRPERSON GORDON: Right, because that
17 is the --

18 MS. WHITE: There are additional CEC
19 projects that have been completed, we have
20 additional payroll records, we haven't matched
21 them all, yet.

22 CHAIRPERSON GORDON: They actually
23 haven't any other ones that have been completed
24 under their guidelines, because they haven't gone
25 through the 12- to 15-month period of energy

1 savings data that they haven't gotten.

2 MS. WHITE: Okay, right.

3 CHAIRPERSON GORDON: So, there are only
4 18. Yeah, there are 18.

5 MS. WHITE: So, for those, that is --
6 those 18 projects inform the .6 percent of data
7 that we have out of the whole universe.

8 CHAIRPERSON GORDON: Is that 18. Is
9 those 18, okay.

10 MS. WHITE: Those 18.

11 CHAIRPERSON GORDON: Okay.

12 MS. WHITE: However, the issue of the
13 percentages of workers by trade or by project, in
14 other words whether they're working in building
15 envelope, or HVAC, the apprenticeship numbers,
16 the wages, and the geographic distribution, those
17 are from the 52 projects -- the 51.

18 CHAIRPERSON GORDON: I said 53, but it's
19 51.

20 MS. WHITE: The 51 projects that we have
21 data for, that we have certified payroll records
22 for, but we haven't matched them, yet. So, those
23 are sort of the larger universe. Because we can
24 tell a lot from those jobs, we just haven't been
25 able to match them.

1 CHAIRPERSON GORDON: Yeah.

2 MS. WHITE: So, they're not helping us
3 with our jobs-per-million calculations, yet, but
4 they are helping us know a little bit more about
5 what the work looks like, the kinds of jobs, and
6 the quality of them.

7 CHAIRPERSON GORDON: Got it. So, that
8 may be one answer to Chelina's question is you
9 will be able to do for a much larger universe of
10 completed projects what you have done for the 18
11 completed projects.

12 MS. WHITE: Absolutely.

13 CHAIRPERSON GORDON: When we have those.

14 MS. WHITE: Absolutely.

15 CHAIRPERSON GORDON: Which will be soon
16 because they're coming in regularly, right. I
17 mean, the completed projects are getting
18 completed as they're -- as they certify to you
19 that they have their 12- to 15-months of utility
20 data, right, so --

21 MS. WHITE: Right. And there is a
22 natural data lag between getting the certified
23 payroll record, cleaning that data, and then back
24 to --

25 CHAIRPERSON GORDON: And getting the

1 Department of Industrial Relations to give you
2 stuff. Yeah, I get it, okay. Great.

3 Does anybody else have questions about
4 this report?

5 All right, can we make a motion?

6 BOARD MEMBER ODBERT: I move to approve
7 the report.

8 VICE-CHAIRPERSON RAY: I'll second.

9 CHAIRPERSON GORDON: Jack.

10 MR. BASTIDA: All right. Board Member
11 Gordon?

12 CHAIRPERSON GORDON: Aye.

13 MR. BASTIDA: Board Member Ray?

14 VICE-CHAIRPERSON RAY: Aye.

15 MR. BASTIDA: Board Member Dias?

16 BOARD MEMBER DIAS: Aye.

17 MR. BASTIDA: Board Member Martinez?

18 BOARD MEMBER MARTINEZ: Aye.

19 MR. BASTIDA: Board Member Odbert?

20 BOARD MEMBER ODBERT: Aye.

21 MR. BASTIDA: Board Member Sakurai?

22 BOARD MEMBER SAKURAI: Aye.

23 MR. BASTIDA: Board Member Harris?

24 BOARD MEMBER HARRIS: Aye.

25 Seven to zero.

1 CHAIRPERSON GORDON: Great, thank you so
2 much.

3 MS. WHITE: Thank you.

4 CHAIRPERSON GORDON: We are all very
5 excited to see the next stage of data on this.
6 I'm sure you are, too. All right, thank you.

7 So, now we are at the item that is not in
8 your draft agenda, but it is in the public
9 agenda, which is actually the most important item
10 of the day, which is Item 8, the Update on the
11 Draft Legislative Report.

12 I will propose that we do this with the
13 following sections, open to suggestion. I would
14 love, Jack, if you could just remind us of our
15 responsibilities and the timeline on the report.

16 MR. BASTIDA: Yes.

17 CHAIRPERSON GORDON: And then I would
18 like to have an open discussion. And then, I'd
19 like to discuss potential amendments, or
20 deletions, or clarifications to what we've
21 already seen. And then, I would like to have a
22 motion on what we will submit to them tomorrow.

23 Does that make sense to everybody?

24 Okay, Jack.

25 MR. BASTIDA: Sure, this is just a

1 section straight from the Public Resource Code,
2 26216. It says, "The Board shall review and
3 evaluate the progress and status of projects and
4 shall prepare, approve, and distribute annual
5 reports of its activities, findings, and
6 recommendations to the Governor, the Legislature,
7 and the public to the extent these actions are
8 consistent with subdivision D of Section 26210.
9 Each annual report shall concern the activities
10 of the Board during the preceding calendar year
11 and shall be distributed within 90 days of the
12 end of the calendar year to which it pertains.
13 The process for preparing, approving and
14 distributing the annual report shall be as
15 follows. The Chair shall be responsible for
16 preparing a draft annual report that shall be
17 presented at a regularly scheduled meeting of the
18 Board. The draft annual report shall be
19 discussed and considered by the Board at the
20 meeting and shall be approved as presented, or
21 with amendments or changes, following the
22 opportunity for and receipt of any public
23 comment. After the meeting, the annual report
24 shall be put into its final approved form and
25 shall be distributed and published on the Board's

1 internet website".

2 And then the rest is just legal stuff.

3 CHAIRPERSON GORDON: Great. So, I think
4 I will amend my earlier list of how we would do
5 this, now that I know that we need to do public
6 comment in this item. So, I will add, after our
7 open discussion, public comment, and then we'll
8 go to the amendment discussions. Does that make
9 sense to everybody?

10 Okay, anything we're missing, Heather, or
11 we should be thinking about?

12 MS. BAUGH: No, no, I don't think you
13 have public comment for this, so you can just
14 talk -- if you don't, you all can talk about how
15 you want to amend it.

16 CHAIRPERSON GORDON: Great. Do we have
17 public comment on this item, Anna?

18 MR. BASTIDA: Let me check online, as
19 well.

20 MS. BAUGH: Did you have public comment?

21 CHAIRPERSON GORDON: Well, we're not
22 going to do public comment quite yet. We're
23 going to hear more about the --

24 MS. BAUGH: Okay, that's fine. I just
25 want to make sure that --

1 MR. BASTIDA: Can you come up to a
2 microphone, please?

3 CHAIRPERSON GORDON: Actually, since
4 you're here, Anna, let's do that, since we -- is
5 that -- Heather, is that --

6 MS. FERRERA: Thanks, I appreciate that.

7 MS. BAUGH: It's fine. I just want to
8 make sure that you're able to hear all the
9 amendments is all. Go ahead.

10 CHAIRPERSON GORDON: Yeah.

11 MS. FERRERA: On behalf of Schools, Anna
12 Ferrera, for the School Energy Coalition.

13 Appreciate what we're hearing today and
14 the good work you're doing. There are, you
15 know -- I know this is no small task. And so for
16 now, I do believe what you have is what the
17 Legislature is asking for. It will be the audit
18 piece, I guess, that you'll be looking at more of
19 the actual dollars moving.

20 So in that case I would say, you know, it
21 sounds like you've got all your pieces. I don't
22 know where the Department of Education was today,
23 and maybe that's just a question. But it seems
24 that they're an implementing agency, and that
25 would be the only other thing I would say. Thank

1 you.

2 CHAIRPERSON GORDON: Thanks, Anna. And,
3 of course, we can invite you back up after the
4 amendments, if you want to say anything further.

5 MS. FERRERA: Thank you.

6 CHAIRPERSON GORDON: My sense is that
7 because the Energy Commission allocates all of
8 the funds that are appropriated through the
9 Education Department, that the Education
10 Department doesn't need to give us a separate
11 report. Because, essentially, what they do is
12 they act as the place the funds come in and then
13 the place the funds go out. But I don't know if
14 that's true, actually. We did not get a report
15 from the Education Department.

16 MR. BASTIDA: They'll be included in the
17 audit.

18 CHAIRPERSON GORDON: But they did not
19 give us a report for this.

20 MR. BASTIDA: No.

21 CHAIRPERSON GORDON: And, Heather, do you
22 think that's a concern? I mean, if they don't
23 actually run any programs.

24 MS. BAUGH: So, and I should disclose,
25 the first I've heard about how each these

1 programs worked was today. But I think it would
2 be useful for us to sit with your Energy
3 Commission staff, that are preparing the report,
4 Kate.

5 It sounds to me like CDE is an
6 administrating agency, which we have a lot. You
7 know, we have an agency that receives the
8 appropriation, one that receives the authority,
9 or vice-versa.

10 CHAIRPERSON GORDON: Yeah.

11 MS. BAUGH: I can't quite tell, from what
12 was said, who got the authority and who got the
13 appropriation. It sounds like it went directly
14 to CDE, but there's some limitation on their
15 ability to allocate and then encumber it, based
16 on what the CEC is saying was appropriated. Am
17 I -- so, maybe Chair Weisenmiller understands a
18 little bit better than I do.

19 EX OFFICIO BOARD MEMBER WEISENMILLER:
20 Yeah. No, that's my understanding is that, you
21 know, basically, we are not involved in the flow
22 of funds.

23 MS. BAUGH: Right.

24 EX OFFICIO BOARD MEMBER WEISENMILLER:
25 Except to the extent that we come up with the

1 approved plans.

2 MS. BAUGH: Yes.

3 EX OFFICIO BOARD MEMBER WEISENMILLER:

4 That base upon those, the expenditures then
5 occur. But, yeah --

6 EX OFFICIO BOARD MEMBER WEISENMILLER:

7 So, you develop the program and then they're
8 implementing it. Is that sort of a fair way to
9 say it?

10 EX OFFICIO BOARD MEMBER WEISENMILLER:

11 Yeah.

12 MS. BAUGH: So, I think it would be
13 useful, because I feel they might actually be
14 able to explain to us whether they've merely
15 allocated, whether they've encumbered. I think
16 even CEC staff has got a question about whether
17 the \$109 million was actually encumbered or
18 allocated. So, I do think that's important.

19 And so, when you're making your motion
20 today about what you say to the Legislature, I
21 would recommend that you use the approved,
22 previous motion to build your report, with the
23 caveat that if you clarify that, and that
24 information is distinct, that you fix that.

25 So, and I think it would be useful to

1 have them, because they will know, their staff
2 will know exactly, you know, what was
3 appropriated, what was allocated, what was
4 encumbered. And those are different things and
5 they'll be able to explain that to you.

6 And what they're doing is their using the
7 legal framework CEC has established, and the
8 criteria that CEC says is necessary to be able to
9 spend that money.

10 CHAIRPERSON GORDON: Right, okay.

11 Yes?

12 BOARD MEMBER DIAS: I know I'm new and so
13 this might be a dumb question. But I've sat on
14 oversight boards before and when we looked at the
15 financing on a bond, or whatever, and everything
16 was broken down to exactly what was spent on
17 what. I mean, not just, okay, whatever Altamont
18 High School, I'm just throwing out a name, and it
19 spent -- they did PV and they spent \$3 million,
20 and I'm just throwing out a number.

21 What I sat on before, it was broken down
22 to what exactly was spent out so it can be
23 tracked, and we double, and triple checked it,
24 and all that.

25 I really don't see that in this. Is that

1 going to be in the audit?

2 CHAIRPERSON GORDON: My understanding is
3 that is the goal of the audit. As you heard from
4 Jack, the goal of this report is really just a
5 review of what the program looks and our
6 recommendations. It's not the audit.

7 The audit is both the financial and the
8 program audit.

9 BOARD MEMBER DIAS: Okay.

10 CHAIRPERSON GORDON: And we will hear
11 about that from Steve, I believe, right, in
12 Item -- or Walkie, on Item 9. Yeah.

13 MS. BAUGH: And one more, I would
14 clarify, too, that the Legislature knows how much
15 they appropriated here, right. They have a good
16 sense of -- they brought in, in what they said
17 each department have. I think that indicates to
18 me, at least as your lawyer, what they're
19 interested to know is were you able to spend that
20 in the fiscal year that we -- did you encumber
21 it and did you do that work, or did you have
22 capacity, or did you lack capacity is what it
23 sounds like they're asking you.

24 So, in the audit that they're talking
25 about, you're correct, that's going to show did

1 these programs implement, you know, within their
2 authority and what did they actually do with the
3 money, right. Did we put in solar panels or did
4 that go somewhere else?

5 BOARD MEMBER DIAS: Yeah, that's exactly
6 -- I mean, when we did it, and this was in Napa,
7 and I can't even remember the bond letter, or
8 whatever. And we sat on there and made sure that
9 whatever was in the bond got spent just for that
10 bond. It didn't get spent on something else.
11 And that's -- I'm assuming the same thing is what
12 we're doing here.

13 MS. BAUGH: Sure. So, it's analogous to
14 my actual client, the Resources Agency, which is
15 oversight for all State green bonds, so 480, 84,
16 50, Prop. 1. And that's exactly right. We want
17 to know that the program implemented guidelines
18 or regulations within its authority to do the
19 thing that the bond said to go do, and then did
20 it spend the money on those things, right. Do
21 you have proof that you paid a contractor that
22 put the solar panels in, or did they go to
23 Bermuda. You know, they check that kind of
24 stuff.

25 And they do kind of a little survey,

1 right. They don't check every project, but they
2 look and they see that you, in fact, had had that
3 done.

4 BOARD MEMBER DIAS: And not just -- well,
5 I go back to the school. It had to be
6 specifically spent on that school project.

7 MS. BAUGH: That's exactly right and
8 that's what I mean --

9 BOARD MEMBER DIAS: It couldn't be spent
10 on another school.

11 MS. BAUGH: That's exactly right. So,
12 the encumbrance document would say, you know, we
13 have a contract to put solar panels on school A.
14 Did you put solar panels on school A.

15 BOARD MEMBER DIAS: Exactly.

16 MS. BAUGH: The auditor will tell you,
17 yes, they in fact did that, or we can't find that
18 proof or, you know, we need to go back and figure
19 that.

20 CHAIRPERSON GORDON: My approach to this
21 report was definitely within my -- with the idea
22 in mind that the audit would do what you're
23 saying and to verify the projects.

24 BOARD MEMBER DIAS: Okay.

25 CHAIRPERSON GORDON: But what this report

1 is, is essentially we're taking the agency
2 reports as true.

3 BOARD MEMBER DIAS: Okay.

4 CHAIRPERSON GORDON: We're not going into
5 each agency and querying whether the money was
6 spent where we said it would be spent. We will
7 be doing that in -- we will have an independent
8 auditor do that.

9 BOARD MEMBER DIAS: Okay, great.

10 CHAIRPERSON GORDON: This report is,
11 really, what did we see, what trends did we see,
12 what were our findings and what are our general
13 recommendations from what the agencies said that
14 they did in terms of projects, spending and
15 project design. Does that make sense?

16 So, that's how I approached this report
17 with, you know, knowing that we would have a full
18 audit happening, as well.

19 BOARD MEMBER DIAS: Good.

20 CHAIRPERSON GORDON: So, I hope that
21 helps clarify at least my approach on drafting
22 this, which you can question, of course.

23 But we can have an open discussion
24 because that's the point we're at in the agenda.

25 So, I'd love to -- I know that at least,

1 Steve, you brought up a point earlier about sort
2 of what is our role in writing this specific
3 report, right. Or, is it a question, and Chelina
4 also has a question, I know, about the role of
5 the Board much more broadly, so that we can bring
6 up both of those.

7 BOARD MEMBER SAKURAI: My request for an
8 open session is really to go over page 15 and 14,
9 the mandates of the Citizen Oversight Board.

10 CHAIRPERSON GORDON: Of our report,
11 correct?

12 BOARD MEMBER SAKURAI: Well, it's more
13 than a report.

14 CHAIRPERSON GORDON: No, no, which -- I'm
15 sorry, what document are you looking at?

16 BOARD MEMBER SAKURAI: Oh, I'm sorry, I'm
17 looking at your Annual Report.

18 CHAIRPERSON GORDON: Okay. Great, thank
19 you.

20 BOARD MEMBER SAKURAI: Which is on page
21 15 and 16, I believe --

22 CHAIRPERSON GORDON: Page 16 and 17, I
23 think.

24 BOARD MEMBER SAKURAI: -- is reciting the
25 legislative directive to us.

1 CHAIRPERSON GORDON: Right, page 16 is
2 where I have it.

3 BOARD MEMBER SAKURAI: And part of it is
4 what I'd like, you know, is maybe an ongoing
5 agenda item where we get an update from staff on
6 these items.

7 So, as an example, publish a complete
8 account of all expenditures each year, plus some
9 information on the publicly accessible internet
10 website.

11 So, in regard to number three, I think
12 somewhere in the report we should say we are --
13 you know, identify the website address or say
14 we're working on it.

15 CHAIRPERSON GORDON: It's the CEC website
16 that does that. That's who publishes. We don't
17 have our own website. We have no resources to do
18 a website, so it's the CEC, I believe, publishes
19 all these data right here. Yeah, it's on the
20 next page.

21 BOARD MEMBER SAKURAI: Well, I don't know
22 -- so, I got on the CEC website, so I don't know
23 if it also includes the Community Colleges, or if
24 it's all added data. So, I may be misreading
25 this.

1 When I read it, it is our obligation is
2 to publish all our information, irrespective of
3 whether the CEC --

4 MR. BASTIDA: That's how I thought it
5 read, too. That's why I was thinking once the
6 Board approves the individual reports from the
7 agencies, those reports would be also included on
8 our website as showing the expenditures.

9 CHAIRPERSON GORDON: When you say "our
10 website", do you mean the website at this
11 address?

12 MR. BASTIDA: Yes.

13 CHAIRPERSON GORDON: Our website on the
14 CEC website, is that right?

15 MR. BASTIDA: We use the CEC website and
16 we have our own section of it.

17 BOARD MEMBER SAKURAI: Okay. And so that
18 is, I guess, an ongoing -- so, another one here
19 is post a --

20 MR. BASTIDA: Yeah. So right now, as we
21 speak, already the community college report that
22 you voted on last meeting is already up on there.
23 And it was up there when you voted.

24 BOARD MEMBER SAKURAI: Oh, it is on
25 there, okay.

1 MR. BASTIDA: Yeah.

2 CHAIRPERSON GORDON: Everything we vote

3 on goes on there.

4 BOARD MEMBER SAKURAI: All right, good.

5 Good.

6 CHAIRPERSON GORDON: As will this entire

7 report and all the appendices.

8 BOARD MEMBER SAKURAI: Okay. And then I

9 guess the next thing is to come up with a format

10 that all of the participants could follow, so

11 it's not a surprise to them. I guess one of the

12 things that didn't feel right today was -- well,

13 I know that we're all rushing to get it done, so

14 we didn't have a chance to review it, and ask

15 questions ahead of time. That would at least

16 prepare staff that, you know, the Board members

17 are going to be asking for this information. I

18 never like surprising staff with requests.

19 So, another thing is maybe a request to

20 you, and maybe to get the community college, and

21 CEC, Department of Education, you know, together

22 maybe come up with a draft format to follow. And

23 so, to sort of follow my train of thought, maybe

24 as a start point, budget, approved, expended,

25 contracted, just a different --

1 MR. BASTIDA: Maybe just some checkmarks
2 to meet on the reports.

3 BOARD MEMBER SAKURAI: Yes.

4 MR. BASTIDA: It would be a little
5 difficult, I think, so have a format for each
6 agency because they're so different programs, the
7 programs are so different.

8 BOARD MEMBER SAKURAI: They're very
9 different, but there are also similarities.

10 MR. BASTIDA: There are some
11 similarities, that's correct.

12 BOARD MEMBER SAKURAI: And so, I think we
13 could maybe get together with them to find out
14 what those similarities are, and come up with a
15 format. Because it would be nice to be able to
16 look at one report and see all of the programs,
17 all of the amounts budgeted, all of the amounts
18 approved.

19 What I liked, when I looked at the
20 community college document was it had that
21 detail. It said, you know, here is the amount
22 that was approved. I forget the numbers on it,
23 let's say it's \$120 million. And then it said,
24 of that, \$119 million has been allocated. Of
25 that, \$31 million have been -- whatever the

1 terminology is, have been submitted, and we have
2 some data. And then, there's a remaining \$88
3 million that are in process.

4 So, following that logic, now, we had to
5 dig in the report to get that data. So, I think
6 it would be nice to have a summary report that we
7 feel comfortable with, that goes across all the
8 agencies. So, you know, I would request if you
9 get together with those agencies, come up with
10 maybe a draft for the presentations to the Board
11 next time, and it can be just that, a draft.

12 But it would be better if it had the
13 stakeholders, who have the data so, you know,
14 we're not surprising them. Also, so they know
15 what our Oversight Board's expectations are in
16 terms of data format.

17 CHAIRPERSON GORDON: I'm sorry, so, are
18 you recommending this for the next annual report
19 or are you recommending writing this in --

20 BOARD MEMBER SAKURAI: No, not for this
21 one. I mean, it's too late to do it for this
22 one.

23 CHAIRPERSON GORDON: That's good.

24 BOARD MEMBER SAKURAI: But for the next
25 one.

1 CHAIRPERSON GORDON: Perfect.

2 BOARD MEMBER SAKURAI: And also, part of
3 this discussion is acknowledging what we have and
4 what we don't have.

5 CHAIRPERSON GORDON: Yes.

6 BOARD MEMBER SAKURAI: And this is -- and
7 we came together, recently, and we had to find
8 new counsel, we had to -- there's a lot of things
9 that need to come together in order to have the
10 conversations we're having today.

11 CHAIRPERSON GORDON: Great. All right.

12 BOARD MEMBER SAKURAI: I want to always
13 go back, so we're not surprised a year from now
14 is, you know, what are our obligations and what
15 are our goals. Hopefully, our goals are in
16 advance of when we have to submit, so that we
17 have time to review, digest. And then, you know,
18 today, again, we'll do the best we can in a short
19 period of time. But let's review the Board
20 package in advance.

21 MR. BASTIDA: I have had some recent
22 talks with California Energy Commission about
23 moving up their timeline to get the LEAs to
24 submit their reports to the Energy Commission a
25 couple of months earlier, just so we don't run

1 into this type of deal again, and we can have
2 more time to look at these.

3 BOARD MEMBER SAKURAI: Good. So, maybe
4 along those lines, Jack, a draft timeline for
5 discussion. And I don't know if we actually have
6 to formally approve it, but just some word out
7 there to the stakeholders, here's what we
8 anticipate.

9 MR. BASTIDA: Sounds good.

10 BOARD MEMBER SAKURAI: So they can
11 then -- because, you know, these are machines we
12 have to get up and going, so that they get the
13 machines up and going.

14 Now, my sense of it, looking at the
15 community college information, was all the
16 information's there. I haven't had a chance to
17 look at the CEC's, but my sense is all the
18 information is there.

19 CHAIRPERSON GORDON: It's all there,
20 right.

21 BOARD MEMBER SAKURAI: So, it shouldn't
22 be a huge ask.

23 CHAIRPERSON GORDON: I don't think we --
24 well, I'm just collecting these, but the guidance
25 to staff on the draft format and timeline for the

1 next set of reports, I don't think we need a
2 motion on that.

3 BOARD MEMBER SAKURAI: No.

4 CHAIRPERSON GORDON: I think that's it,
5 but it's a really good point. And I think we all
6 can acknowledge this was not a perfect process.
7 It was a very difficult process, especially for
8 those of us trying to write a report based on
9 reports we didn't have. So, it's been hard, but
10 we all learned a lot. So, I think it will be
11 very good to do it better next time.

12 Let me see if others have -- so, that's
13 sort of a guidance for the next one, what we have
14 learned and guidance for the next one.

15 Do we have comment on, kind of high-level
16 comment on other pieces of this, on our role, on
17 our timeline, on sort of points like what Steve
18 just made about what we should look for next
19 time? And then, I'll go into more specific
20 comments.

21 Okay, let's talk about this draft report.
22 And I would love to entertain a discussion on,
23 and I know this is hard -- I'm not entertaining a
24 discussion on wordsmithing. I would love to
25 entertain a discussion on significant amendments

1 or concerns, things that you think need to be
2 deleted, or added. And we will have to vote on
3 amendments, so it's going to be a process. So,
4 let's try to be as kind of concise as possible.

5 I know that Arno Harris does have a
6 specific amendment that he wants to propose, so I
7 will turn to him.

8 BOARD MEMBER HARRIS: Kate, were you
9 opening the bar to me?

10 CHAIRPERSON GORDON: I sure was.

11 BOARD MEMBER HARRIS: Okay, I'm happy to
12 do that. The only person I'm meeting here is
13 gone. I'm sitting out front of the
14 (inaudible) --

15 Yeah, I think, so first of all let me
16 just reiterate the compliments to Jack and Kate,
17 earlier, just that it's a tremendous effort to
18 draft this report out, and to put us in a
19 position to be actually able to deliver on our
20 requirement of getting this report done. So, a
21 huge amount of thanks to them for that.

22 I just had -- in reading this, it struck
23 me that the one thing I didn't see reflected,
24 that I think came up in conversation a couple of
25 times, both with schools and with some of the

1 contractors, and consultants that we discussed,
2 or heard from, was this notion of a 70 percent
3 limit on the size of solar power systems that
4 qualify for the Prop. 39 funds.

5 And I think what we heard was essentially
6 that the true practice of sizing a solar power
7 system has to take into effect the shape of the
8 load, the generation profile, and the specific
9 characteristics of the cost of electricity in
10 that location, and the time at which it's used
11 and, you know, how you set that for solar.

12 And the 70 percent rule turned out, while
13 well-intentioned, I think, at the CEC, it turns
14 out that a lot of unintended consequences where
15 it basically forced the school to either make
16 this at 75 and pay down for the extra costs,
17 themselves, with some cash they may or may not
18 have. It causes them, perhaps, to submit a
19 system that meets the requirements, but is not
20 actually providing them with the most energy
21 savings that they could realize had they sized it
22 better.

23 And so, I've given Jack some draft
24 language that, hopefully, he can circulate. That
25 it basically is to insert language in Chapter 8,

1 after the section entitled "Citizen Oversight
2 Board Recommendations" that I think basically
3 summarizes the suggestion that we ask the CEC to
4 make changes in the rules that currently restrict
5 solar power system sizing to conform more with, I
6 think, two principles. One is sort of more
7 consistent practice within the energy industry,
8 which is to use engineering estimates for future
9 load, as opposed to a simple, hard number, like
10 70 percent. And then to effectively trust the
11 engineering process and the verification and
12 certification, and audit procedures that are in
13 place to ensure that (inaudible) does not occur.

14 And so, you guys can look at the specific
15 language I'm suggesting, in the e-mail from Jack,
16 but I'd like to propose that as an amendment.

17 CHAIRPERSON GORDON: Jack, do we have
18 that e-mail?

19 MR. BASTIDA: Yes, we do. I'll try to
20 bring up his e-mail.

21 CHAIRPERSON GORDON: So, one thing, just
22 to clarify Arno, and I can't -- we're not seeing
23 it yet, I'm sorry, Jack hasn't pulled it up, yet.

24 But we, as a Board, are not, obviously,
25 in a position to tell the CEC what to do, so on

1 guidelines. But we can, at least, tell the
2 Legislature we think it's worth looking into
3 these issues, which is what we did on some of the
4 other items.

5 So, I don't know what the wording looks
6 like, but we should at least keep that in mind.

7 BOARD MEMBER HARRIS: Yeah, so it's
8 framed as a request to consider asking the CEC to
9 make changes.

10 CHAIRPERSON GORDON: Okay, good. I'm
11 sorry, Jack, do you have that?

12 MR. BASTIDA: I do somewhere.

13 CHAIRPERSON GORDON: I have it on my
14 phone. But I think we do need to see it, in
15 order to vote on it. Yeah, it's kind of long
16 so -- I will start reading it, while he's looking
17 for it.

18 So, the language that Arno's suggesting
19 is, "Consider asking the CEC to make changes to
20 the rules restricting the size of solar power
21 systems in the CEC JA projects to make it easier
22 for schools to apply for a CEC JA permit".

23 And then bullet points under that. "One,
24 existing guidelines impose a cap on eligible
25 solar power system sizes at 70 percent of the

1 LEA's current load.

2 Two, LEA's and contractors have noted
3 that this approach to project sizing prevents
4 schools from realizing the benefits of a solar
5 power system that has been properly optimized in
6 relation to future load, once all the plan
7 improvements have been made. The unintended
8 consequence is that schools miss out on potential
9 savings with optimized design, end up doing a lot
10 of extra work to achieve the target SIR, or
11 savings to investment ratio, or simply buy down
12 the capital cost of the system in excess of the
13 cap.

14 Three, the Board recommends the CEC allow
15 applicants to use industry standard system sizing
16 and load forecasting methodologies to optimize
17 solar power system sizes to meet the anticipated
18 load with all plan improvements implemented".

19 Sorry, that was a lot of words. And on
20 that last bullet point, I think, is where I would
21 emphasize, again, that we can't recommend the CEC
22 allow, but we can recommend that the Legislature
23 discuss this.

24 But can you pull it up?

25 MR. BASTIDA: It will take a minute.

1 CHAIRPERSON GORDON: Do you need me to
2 send it to you, again?

3 MR. BASTIDA: Yeah, just let me take a
4 look.

5 CHAIRPERSON GORDON: I'm sending it to
6 you, again.

7 And I'm sorry, we should have had this
8 printed out for this meeting, so my apologies.

9 But are there questions to Arno? I mean,
10 he is really the person who understands this the
11 best, being the one presenting the amendment.
12 So, questions about what this means, about how to
13 clarify the language?

14 I found it a little technical, so I'll
15 just say that.

16 VICE-CHAIRPERSON RAY: How did it get
17 messed up to begin with?

18 CHAIRPERSON GORDON: Well, it depends on
19 if you -- anyway.

20 EX OFFICIO BOARD MEMBER WEISENMILLER: I
21 don't think Andrew quite used that adjective.

22 CHAIRPERSON GORDON: Okay.

23 VICE-CHAIRPERSON RAY: It appears to be
24 technically long, as presently written. Do we
25 have an understanding, and explanation as it is

1 why it is?

2 EX OFFICIO BOARD MEMBER WEISENMILLER: I
3 think this came up before and I think the answer
4 was there were parties on all sides of this
5 question, and this was one of those compromises
6 among warring parties. Obviously, I think the
7 solar industry aligns more with Arno. I think
8 there were other groups, be installation, energy
9 efficiency, or utilities who would have gone to a
10 much different approach.

11 So, anyway, this was sort of a
12 compromise. Having said that, you know, I assume
13 given all the recommendations, particularly with
14 legislative support, we'll reexamine it.

15 But again, I would suggest that it's --
16 you know, you will see parties on all sides on
17 this issue.

18 I don't know if, Arno, you would agree
19 with me on that comment?

20 BOARD MEMBER HARRIS: It's really hard to
21 hear everything you were saying, but it sounded
22 like you were saying there were -- that in the
23 original rulemaking process there were parties on
24 both sides of the issue. And that it sounded
25 like you said you basically agreed with the idea

1 that in our hearings, recently, that the schools
2 were requesting -- the schools, themselves, were
3 requesting some leniency here. Did I hear
4 correctly?

5 EX OFFICIO BOARD MEMBER WEISENMILLER:

6 Yeah, what I was indicating was this was some
7 attempt to split the baby. And when you do that,
8 obviously, all parties are not happy with that.

9 We've had some discussion earlier, which
10 we both heard, about how some consultants have
11 had to do work arounds to get to a particular
12 intent.

13 So, you know, with all the rules, it's
14 always a good idea, now, to see how they're
15 working.

16 BOARD MEMBER HARRIS: Yeah, I don't think
17 we need to be too prescriptive per Kate. So, if
18 you want to change some of the technical language
19 there, so we're not being overly prescriptive
20 back to the CEC, but we're just highlighting a
21 problem that I think is impacting, certainly, a
22 handful of schools that we've heard from. And
23 the consultants we've heard from, who are trying
24 to help schools get access to these funds.

25 So, all we're doing effectively here is

1 pointing out an issue that the Legislature and
2 the CEC can then work to try to resolve. I think
3 that's really the intent of the amendment.

4 EX OFFICIO BOARD MEMBER WEISENMILLER:

5 Okay.

6 CHAIRPERSON GORDON: We have it up, now.

7 Arno, just give us a second.

8 And if this were to be put into the
9 report, it would be as number three, in the
10 recommendations section, after the point about
11 HVAC systems, and before the point on leveraging,
12 just because I think that's consistent with
13 those, as well.

14 BOARD MEMBER ODBERT: Kate, this is just
15 a question.

16 CHAIRPERSON GORDON: Yeah.

17 BOARD MEMBER ODBERT: If we vote to -- if
18 we approve the amendment, we're not necessarily
19 approving these exact words, right? We would
20 still wordsmith it?

21 CHAIRPERSON GORDON: This is a -- I
22 think, in general, I would recommend that we
23 include, in whatever motion we have here, the
24 ability for me to copy/edit the document,
25 especially since I finished it, as you may have

1 noticed, at 2:00 in the morning. I would like
2 the ability to copy it.

3 MS. BAUGH: Yeah. Can I may help you
4 here?

5 CHAIRPERSON GORDON: Please.

6 MS. BAUGH: So, I think you're not
7 amending anything right? She's brought a draft
8 to you for consideration. One of your Board
9 Members has said, you know, I'd like to add in a
10 construct, where we make a recommendation to the
11 Legislature that they consider working within
12 CEC's existing authority to re-regulate this
13 issue for more efficiency. It sounds like CEC
14 maybe made this decision in its regulatory
15 context for other reasons.

16 And so, the question for you all is are
17 you comfortable recommending that the Legislature
18 and CEC reevaluate that regulatory process.

19 BOARD MEMBER SAKURAI: Can I ask a
20 question? Because in reading this, what it says
21 is consider asking the CEC, not the Legislature.

22 CHAIRPERSON GORDON: No, we would -- that
23 would have to -- that language would have to
24 change. As we discussed earlier, that would have
25 to change to the language, to parallel the

1 language that's in here.

2 MS. BAUGH: So, CEC already has the legal
3 authority to do what's being asked, right. They
4 can go back and re-regulate this issue.

5 The answer, I think that I've heard, is
6 that in their regulatory process this was the
7 place that they landed on as a matter of policy,
8 right.

9 So, it sounds like one of your Board
10 Members is asking for a recommendation to
11 reevaluate that regulation in light of, perhaps,
12 the school districts. And it sounds like CEC's
13 amenable to considering that.

14 BOARD MEMBER SAKURAI: Yeah.

15 MS. BAUGH: So, that's what you're doing.
16 And however you say that, that's what you're
17 doing.

18 BOARD MEMBER SAKURAI: Well, it seems
19 like the wording is important because I think
20 there's a difference between asking the CEC to
21 make changes and asking the CEC to revisit the
22 issue. Right, those are two different things.

23 BOARD MEMBER HARRIS: Can I ask just a
24 point, a process question, which is the report
25 is to the Legislature, but I understood the

1 language to be that we were simply to report back
2 on any sort of problem or fix that we thought was
3 necessary. Or, does the fact that we're
4 reporting to the Legislature mean that the
5 requests we make to them shall only be
6 legislative requests?

7 Because when I was thinking about this, I
8 thought, well, we're reporting back to the
9 Legislature and we're telling them where the
10 problems might be. If there's a problem, why
11 would they, and acting as an agency, can't we
12 simply note that there and assume that the -- you
13 know, the executing agency will read the report
14 and decide to take the advice or not? I mean, we
15 don't have a lot of authority to direct anybody,
16 but at least we identify it as an issue.

17 MS. BAUGH: You're definitely making
18 recommendations. One of the beautiful of your
19 body is that you have the CEC's Chair here. So,
20 you know, this is a policy choice, whether you
21 want to point out to the Legislature all of the
22 places that implementing agencies are struggling
23 and to what degree. This might be a little
24 detailed.

25 But CEC clearly has the existing

1 authority and you're clearly recommending
2 revisiting this in a narrower context than its
3 original regulatory process.

4 It sounds like their Chairman is
5 comfortable with that recommendation. So, I
6 don't know that you need to go into the detail,
7 to this degree, to make that recommendation.

8 CHAIRPERSON GORDON: Well, Heather, I'm
9 sorry, I just need to understand what you're
10 saying. Are you recommending, are you saying,
11 essentially, none of this needs to go in the
12 report, we could just do a separate discussion?
13 I mean, I'm just not understanding what you're
14 actually saying.

15 EX OFFICIO BOARD MEMBER WEISENMILLER:
16 No, I think what she's -- I think, in terms of
17 public transparency, I think it's important that
18 you make a specific, written recommendation, the
19 basis for that recommendation. As you noted,
20 it's a recommendation of the Legislature.

21 And I think more in the role of
22 considering that now, again, it's conceivable as
23 soon as we tweak this in Arno's fashion, 450
24 people show up saying that's it's dumb. And
25 we'll relate it back to you or invite Arno to sit

1 through that discussion, right.

2 MS. BAUGH: That's right.

3 BOARD MEMBER ODBERT: So, what do we have
4 to do?

5 MS. BAUGH: So, I guess I would recommend
6 you consider approving, not this exact language,
7 but the intent of the request, which is to
8 recommend to the Legislature that CEC revisit
9 this regulation in a more narrow context, within
10 its authority.

11 And if everyone's comfortable with that
12 intent, it probably doesn't need to be this
13 specific, and you can work within -- you can work
14 with your Chair to figure it out.

15 BOARD MEMBER ODBERT: And would that go
16 in for tomorrow, or would that go in on a later
17 date?

18 CHAIRPERSON GORDON: Well, that would
19 be -- that's the question. I mean, that's the
20 recommendation. That if there's a motion to
21 approve the intent of this sort of recommendation
22 to the Legislature, worded appropriately, then,
23 yes, it would go in the report tomorrow.

24 BOARD MEMBER DIAS: Now, these are just
25 recommendations.

1 CHAIRPERSON GORDON: Arno, can you mute,
2 please?

3 BOARD MEMBER DIAS: These are just
4 recommendations to the Legislature, right?

5 CHAIRPERSON GORDON: The Governor, and
6 the Legislature, and the public get this report.

7 BOARD MEMBER DIAS: Oh, okay.

8 CHAIRPERSON GORDON: But, it's
9 technically a report to --

10 BOARD MEMBER DIAS: Just our
11 recommendations.

12 CHAIRPERSON GORDON: Just our
13 recommendations. It's essentially our findings
14 and recommendations.

15 BOARD MEMBER ODBERT: All right. Sorry,
16 go ahead, I was going to move --

17 BOARD MEMBER SAKURAI: Just to understand
18 a little bit better. So, the recommendation can
19 be for the Legislature to look at it or it could
20 be for the agency, or in this case the CEC, to
21 reconsider and look at it. And then, that takes
22 on different levels. Are we recommending a
23 change or recommending revisiting. So, you know,
24 it's almost like four squares. You know, one of
25 them is to who. Is it to the Legislature or is

1 it to CEC?

2 This says the CEC, which seems much --

3 CHAIRPERSON GORDON: Yeah, which I think
4 we've all just said a couple of times is not
5 correct. So, that language would change.

6 BOARD MEMBER SAKURAI: So, it would
7 change.

8 CHAIRPERSON GORDON: Yes. So, the
9 recommendations in this report are to the
10 Legislature, to whom, as parallels other language
11 that's in here, we can recommend that they,
12 essentially, talk to the CEC about a change in
13 the program. We are not recommending to the CEC
14 in this report.

15 MS. BAUGH: But I think your Board Member
16 is asking whether you're recommending the change
17 or the consideration.

18 CHAIRPERSON GORDON: Consideration. We
19 don't have any authority to recommend a change.

20 MS. BAUGH: You could certainly recommend
21 any changes you want. But I think what you're
22 asking is correct. I think she's recommending
23 reconsideration of that. Did I phrase that
24 correctly.

25 BOARD MEMBER SAKURAI: Okay, so

1 reconsideration, that answers my question. And I
2 get that this report is to the Legislature. But
3 even a report to the Legislature, you can be
4 recommending that the Legislature make statutory
5 changes or the CEC makes regulatory changes.

6 CHAIRPERSON GORDON: Right, which I think
7 we have done in these other recommendations. So,
8 but in the other ones related to the CEC, it's
9 been to ask the Energy Commission to consider a
10 change. And number two should be changed,
11 actually, to do that.

12 BOARD MEMBER SAKURAI: Right, and that
13 makes sense.

14 BOARD MEMBER DIAS: Yeah, and that's just
15 what I was going to --

16 CHAIRPERSON GORDON: Yeah, number two
17 should say that and some other ones already say
18 that.

19 BOARD MEMBER ODBERT: I move to -- I
20 forgot it, now. I move to include appropriate,
21 yes, the intent of this recommendation, with the
22 language clarified by you, our Board Chair.

23 BOARD MEMBER DIAS: I'll second.

24 CHAIRPERSON GORDON: We have a motion and
25 a second. Jack.

1 MR. BASTIDA: Board Member Gordon?
2 CHAIRPERSON GORDON: Aye.
3 MR. BASTIDA: Board Member Ray?
4 VICE-CHAIRPERSON RAY: Aye.
5 MR. BASTIDA: Board Member Diaz?
6 BOARD MEMBER DIAS: Aye.
7 MR. BASTIDA: Board Member Martinez?
8 BOARD MEMBER MARTINEZ: Aye.
9 MR. BASTIDA: Board Member Odbert?
10 BOARD MEMBER ODBERT: Aye.
11 MR. BASTIDA: Board Member Sakurai?
12 BOARD MEMBER SAKURAI: Aye.
13 MR. BASTIDA: Board Member Harris?
14 BOARD MEMBER HARRIS: Aye.
15 MR. BASTIDA: Seven to zero.
16 CHAIRPERSON GORDON: Okay. And, yes, I
17 will work with this and the language we have.
18 And just, FYI, if you look at Number 2-D in the
19 report, that's essentially the construction that
20 I think is the appropriate construction. So,
21 I'll work with that construction throughout and
22 make sure that everything is consistent.
23 Okay, do we have other amendments,
24 concerns, deletions, other places where people
25 would like to see a change, that requires more

1 than copy editing?

2 And again, of course, apologize for the
3 extremely late notice of being able to read any
4 of this. It is what it is but --

5 BOARD MEMBER SAKURAI: Can I make one
6 comment?

7 CHAIRPERSON GORDON: Please, yeah,
8 comments are -- I'm open to comments.

9 BOARD MEMBER SAKURAI: I would like to
10 thank the authors for, in a short period of time,
11 you know, provided, and putting together this
12 report.

13 BOARD MEMBER ODBERT: Yes.

14 CHAIRPERSON GORDON: Thank Jack, he did
15 most of it.

16 BOARD MEMBER MARTINEZ: Madam Chair, one
17 question.

18 CHAIRPERSON GORDON: Yeah.

19 BOARD MEMBER MARTINEZ: Some of the draft
20 e-mails that went back and forth, there was a
21 recommendation regarding the loan program,
22 possibly setting up a revolving loan?

23 CHAIRPERSON GORDON: I incorporated that
24 into Item 3 here, which is leverage more of the
25 CCJ dollars through loans, rather than spending

1 it on outright grants.

2 And I made that kind of a bigger, like a
3 blanket recommendation about leverage.

4 BOARD MEMBER MARTINEZ: Okay.

5 CHAIRPERSON GORDON: But you're right
6 that I took out -- I merged that. So, do you
7 want to propose going back to the --

8 BOARD MEMBER MARTINEZ: Well, in that
9 same context, I was wondering if perhaps we might
10 suggest a consideration not only of direct loan,
11 continuation of the direct loan program or a
12 revolving loan program, but possibly something
13 like a loan guarantee program in partnership with
14 private banks.

15 CHAIRPERSON GORDON: Okay, yeah. So, I
16 can expand that section to include other kinds of
17 leverage easily. Because I think we talk here
18 about revolving loans, specifically, but we can
19 certainly add in a discussion of loan guarantees,
20 as another method.

21 BOARD MEMBER MARTINEZ: Loan guarantee,
22 partnering with private banks.

23 CHAIRPERSON GORDON: Yeah. So, do we
24 need a motion on that?

25 MS. BAUGH: So, here's what -- if that's

1 the last comment, then you can certainly move to
2 accept the report with that change. Otherwise, I
3 think you've just approved the report and
4 accepted it with the amendment. So, try to get
5 all of your changes in and --

6 CHAIRPERSON GORDON: We didn't approve
7 the report.

8 MS. BAUGH: Okay.

9 CHAIRPERSON GORDON: All we approved was
10 just the language, the solar language.

11 MS. BAUGH: So, try to get all of them in
12 and then at the end then just approve them all at
13 once.

14 CHAIRPERSON GORDON: I wanted to do that
15 one because that one was complicated. But I hear
16 it. So, let's take that as number one of the
17 next set of amendments, potential amendments to
18 expand this Item 3 which is now, by the way, Item
19 4, since we're adding in the solar item as Item
20 3. To include loan guarantees and partnering
21 with private banks as additional types of
22 leverage. That the Legislature should consider
23 and, in this case, it is the Legislature,
24 actually, to consider it since this is the
25 financial side of the program. Okay, got it.

1 The next one.

2 BOARD MEMBER ODBERT: I just want to
3 throw it out as a discussion point to the Board,
4 what we've just heard about the data for the jobs
5 piece being done with no funding and/or having to
6 take funding from a different initiative. Do we
7 want to take that information and build it into
8 any sort of a recommendation?

9 CHAIRPERSON GORDON: It's already in here
10 as number 5.

11 BOARD MEMBER ODBERT: Oh, got it.

12 CHAIRPERSON GORDON: Which is allocate
13 actual funds for the Workforce Development Board
14 to perform its job creation analysis and
15 reporting functions.

16 Just in case you all didn't have a chance
17 to read this very closely, we also included in
18 here a recommendation on fully funding the ECCA
19 and Bright Schools Programs, which were not
20 funded last year. They're the no interest loan
21 and the technical assistance programs over-
22 subscribed, and then they stopped being funded in
23 year three of the program.

24 We also recommended, I believe there's
25 something in here about the over-capacity or the

1 lack of capacity of the Conservation Corps to do
2 its job.

3 BOARD MEMBER ODBERT: Yeah, okay. Great.

4 CHAIRPERSON GORDON: So, those job things
5 are all in there. There's just highlights on
6 things that the Legislature could consider.

7 Yeah, that was a leading question that I
8 asked, by the way, just to be clear.

9 (Laughter)

10 BOARD MEMBER ODBERT: Yeah.

11 CHAIRPERSON GORDON: So you would say
12 that.

13 So, I can go through these. Do you guys
14 want me to go through these really quickly and
15 just before we -- well, let me do that and then
16 sort of start with that. And I'll just give a
17 really, really high level.

18 And this was based on a number of one-on-
19 one conversations with people on this Board,
20 particularly with people on the Report Committee.
21 As you may remember, we did form a Report
22 Committee and an Audit Committee at the last
23 meeting. And then, subsequently, we got legal
24 counsel and found out that we could not have as
25 many people on those committees as we had on

1 them. So, they never met. They just we all are
2 talking one-on-one, essentially.

3 And, Heather, I would actually like to
4 discuss dissolving the Report and Audit
5 Committees, which I think we may want to do at
6 this meeting. Because I think that's your
7 recommendation, right?

8 MS. BAUGH: Is that on your agenda?

9 CHAIRPERSON GORDON: It's not, so I guess
10 we can't, right.

11 MS. BAUGH: Let's wait for that.

12 CHAIRPERSON GORDON: So, we'll do it next
13 time. Great, thank you.

14 BOARD MEMBER MARTINEZ: Dissolving this
15 Board.

16 CHAIRPERSON GORDON: Good reminder. We
17 cannot dissolve this Board. We have no power to
18 dissolve ourselves.

19 (Laughter)

20 CHAIRPERSON GORDON: Okay, so number
21 one -- well, first I'll go to say that any
22 overall findings and recommendations, we tried to
23 make the point at the very beginning that we were
24 not offering broad recommendations of the funding
25 formula or the program guidelines as much as

1 possible, but that we're the only part of the
2 program that looks cross-agency. So, we're
3 really the only people who are looking at this as
4 a whole. And, therefore, we felt we could offer
5 some findings and recommendations based on what
6 we saw.

7 We also acknowledged the limited set of
8 data we're working with here, because it's a
9 fairly new program. And you'll notice that that
10 point is reiterated all of this report, that this
11 program is fairly new, because I think it's
12 important for everyone to remember.

13 The overview comments, again, we talk
14 about it being in its early stages. The second
15 point under overview comments are if there are
16 program changes contemplated, they need to be
17 implemented such that people can actually do
18 them. Because the timeline for the projects is
19 so long that any -- if a change gets made in two
20 years, it will not affect any of the projects.
21 This program will be over by the time it's in
22 play. So, that's just a point in here.

23 Specific conclusions that we have include
24 the difference -- as several of you have raised,
25 the difference between the Community College

1 Program and how quickly it's gotten underway, and
2 how specific its projects are, and how many it's
3 done, and the K through 12 Program, which has far
4 fewer.

5 We just point out here that they have a
6 centralized program, the K through 12 Program is
7 not centralized, and the sort of challenges on
8 the K through 12 side. And make a point about
9 that.

10 The second conclusion is the unspent
11 funding from the K through 12 Program, so there's
12 a big chunk of money that is not being claimed by
13 the LEAs that are allowed to claim it. And this
14 has essentially just raised questions, I think,
15 for us. We talked about this at the last two
16 meetings, about whether small schools are not
17 accessing the funds, and also whether charters
18 aren't. Why and whether the charters are not
19 accessing their funds.

20 So, that's not a conclusion, it's just a
21 question. And we basically say we'd like to see
22 more analysis on that from the Energy Commission.

23 The third point here is a longer point
24 about the difficulties faced by small and under-
25 resourced schools. For a number of reasons they

1 get less money, they don't tend to have technical
2 assistance, they have fewer people on staff.
3 They may be having a hard time getting the
4 savings to investment ratio, as we heard from the
5 Twin Rivers representative. That point is in
6 here. And, essentially, it's just a discussion
7 of what can we do? You know, why is it that
8 these small schools may be having a hard time.
9 We've noticed that they're having a hard time.

10 VICE-CHAIRPERSON RAY: There is -- so,
11 there are reasons.

12 CHAIRPERSON GORDON: Yeah.

13 VICE-CHAIRPERSON RAY: One of which is
14 the consultants are not inclined to approach
15 districts which will have small funding.

16 CHAIRPERSON GORDON: Yep.

17 VICE-CHAIRPERSON RAY: And consultants
18 are a huge part of what's going on here. They're
19 doing most of the work. They're bringing the
20 opportunities to the schools, not the other way
21 around. It's the consultants that are telling
22 the schools you can get \$2 million from the
23 State, or whatever, by doing this, this, and
24 this.

25 CHAIRPERSON GORDON: We may want to

1 include -- I will add as a second potential
2 change to include that point in this paragraph as
3 another reason that schools may not be accessing
4 their funds.

5 We note that all of the projects -- many
6 of the projects are on lighting and HVAC, which
7 is not surprising because they're -- that the
8 savings-to-investment ratio and they are big
9 energy consumption programs. However, just we
10 asked the question of whether that may be the --
11 the savings-to-investment ration may be
12 discouraging retrofits that don't have this short
13 of a payback rate. We don't ask you to do
14 anything about it, we just raise the question.

15 Specific recommendations, one. The
16 number one is very much focused on the smaller
17 schools. And you should read this through. So,
18 we're recommending potential actions which are
19 very, very vague. You know, worded in not a very
20 directed way. But consider aggregating the
21 smaller LEAs under larger entities, so that they
22 could act like larger entities. That may not be
23 possible, but it's something that we heard from
24 Anna Ferrara, in one of our first meetings, for
25 instance.

1 Consider allocating funding for better
2 tracking of program participation among
3 disadvantaged LEAs and we can sort of see who is
4 and is not participating. And if not, you know,
5 why?

6 Restoring funding to ECCA and Bright
7 Schools. This is where this comes in. And
8 addressing backlog and requests for the
9 California Conservation Corps. So, those are all
10 related to the small, disadvantaged schools.

11 Number two, I will change the wording of
12 this to say, ask the Energy Commission to
13 consider tweaking regulations to allow schools to
14 purchase new, higher-efficiency HVAC. This
15 really relates to our Twin Rivers example and
16 their difficulty getting HVAC, when they had no
17 heating, when they weren't using any energy. And
18 they wanted to have heating, which you would use
19 more energy and, technically, that doesn't save
20 you energy, but it's still an important thing to
21 do.

22 I note in here that the Energy Commission
23 worked very hard to make that work for them, but
24 we know that probably we shouldn't have to do
25 that on an ongoing basis, and that some schools

1 may be discouraged from even applying.

2 Number three is now the solar point.

3 Number four is the leverage point, now,
4 which we've discussed.

5 Number five will be better understanding
6 the co-benefits. Is there any way we can better
7 track things that are not tracked by any of these
8 agencies? The health benefits, the whether
9 teachers are being able to keep their jobs
10 because money is being kept in the budget.
11 Whether we're able to see any educational
12 benefits, like co-benefits in general. And so,
13 basically, consider seeing if we can track that.

14 BOARD MEMBER DIAS: You mean like with
15 Twin Rivers, they're not freezing, so they're
16 able to learn?

17 CHAIRPERSON GORDON: Exactly. Which is
18 not something that anybody tracks right now.
19 That's not one of the things that we can report
20 on right now.

21 And then what will be Number six is the
22 Workforce Development Board point, allocating
23 funds so they can do their job analysis, which
24 they're mandated to do.

25 And Number seven will be consider funding

1 beyond the initial five-year period.

2 Those are the recommendations that are in
3 here. Those were, essentially, taken from a lot
4 of different comments that we've heard,
5 testimony, comments and the reports. And, you
6 know, my head. I mean, I admit it. And that, of
7 several others of you so -- so, that's where we
8 are.

9 So, I have two things on the table. I
10 have an addition of -- I'm sorry, I wrote it down
11 and now I can't find it. Oh, loan guarantees. I
12 have two additions right now. I have an addition
13 of the language that Walkie was saying about
14 consultants not being inclined to reach out to
15 the lower-funded schools, as part of the issue
16 with the smaller, disadvantages schools. That
17 will be under Number Three.

18 Add the addition of loan guarantees and
19 partnerships with banks as an addition to what is
20 now Number Four.

21 Are there other points that people would
22 like either see added, deleted, big concerns, big
23 gaps?

24 BOARD MEMBER MARTINEZ: As a possible
25 consideration of an additional point, realizing

1 the smaller school districts and lack of
2 participation, lack of success, I wonder if we
3 want to suggestion a consideration of funding for
4 some type of public relations or marketing of the
5 program to those specific --

6 CHAIRPERSON GORDON: Yeah, I think that
7 was in here. Yeah, it's in here.

8 BOARD MEMBER MARTINEZ: Is it in there?

9 CHAIRPERSON GORDON: All right, let me
10 find it. Outreach, yes, it's in B, 1-B.

11 BOARD MEMBER MARTINEZ: Okay.

12 CHAIRPERSON GORDON: Yeah, outreach,
13 stronger outreach to those schools. I can make
14 that a better, strong point, though.

15 BOARD MEMBER MARTINEZ: Just from the
16 industry, there's a conference that happens twice
17 a year, specifically with the folks that deal
18 with infrastructure in K through 12 schools. The
19 conference is called the CASH Conference.

20 CHAIRPERSON GORDON: Yeah.

21 BOARD MEMBER MARTINEZ: And that would be
22 the ideal place to market this program.

23 CHAIRPERSON GORDON: I will say that I've
24 spoken at the last three of those about this
25 program. So, I'm doing my best, but I think

1 that's a good point. So, I can put that in as
2 for an example.

3 BOARD MEMBER MARTINEZ: Yeah.

4 CHAIRPERSON GORDON: CASH, okay.

5 EX OFFICIO BOARD MEMBER WEISENMILLER: I
6 would just note that when we met with the
7 Department of Education, they indicated they
8 could -- anyway, they're interested in helping us
9 do more marketing of this.

10 CHAIRPERSON GORDON: Well, maybe we can
11 call them out, actually, on this point, since
12 they're not here.

13 (Laughter)

14 CHAIRPERSON GORDON: So, let's give them
15 something to do. Okay, that's a great point.

16 Other thoughts, other additions?

17 Okay, are we ready to make a motion?

18 Chelina, are you ready? Is somebody ready to
19 make a motion?

20 (Laughter)

21 VICE-CHAIRPERSON RAY: I'll move for
22 approval, subject to the revisions that have been
23 discussed.

24 BOARD MEMBER ODBERT: I second.

25 CHAIRPERSON GORDON: Jack.

1 MR. BASTIDA: All right. Board Member
2 Gordon?
3 CHAIRPERSON GORDON: Aye.
4 MR. BASTIDA: Board Member Ray?
5 VICE-CHAIRPERSON RAY: Aye.
6 MR. BASTIDA: Board Member Diaz?
7 BOARD MEMBER DIAS: Aye.
8 MR. BASTIDA: Board Member Martinez?
9 BOARD MEMBER MARTINEZ: Aye.
10 MR. BASTIDA: Board Member Odbert?
11 BOARD MEMBER ODBERT: Aye.
12 MR. BASTIDA: Board Member Sakurai?
13 BOARD MEMBER SAKURAI: Aye.
14 MR. BASTIDA: Board Member Harris?
15 BOARD MEMBER HARRIS: Aye. And let me
16 just say that I think we quite clearly chose the
17 right Chairwoman here.
18 BOARD MEMBER ODBERT: Yay.
19 CHAIRPERSON GORDON: Thank you. That's
20 very nice of you.
21 Wonderful, and that was unanimous. That
22 was great, thank you, everybody.
23 Do we need to discuss the cover letter
24 where we note gaps? I don't think so. Okay, I
25 will just talk to you.

1 All right. Great, thank you, everybody.
2 I really appreciate it. That was easier than I
3 thought and I appreciate everyone's patience with
4 this process.

5 On to the other big thing we're doing,
6 which is really an update on where we are on the
7 audit. And this is our last agenda item before
8 public comment. I think we have successfully
9 lost all the public. No, there may be some on
10 the phone and there may be others in the room
11 that want to speak.

12 MR. BASTIDA: And Kate, if you want, I
13 can start the discussion on this, since I was the
14 one who drafted the scope of work for the audit.

15 CHAIRPERSON GORDON: Sure. Why don't you
16 start by telling us, just because of --
17 especially because of Board Member Diaz being
18 new, it's always good to remind us what our job
19 is on this.

20 MR. BASTIDA: Sure.

21 BOARD MEMBER ODBERT: Can I just ask one
22 question?

23 CHAIRPERSON GORDON: Yeah.

24 BOARD MEMBER ODBERT: If I -- I have a
25 flight to catch back.

1 CHAIRPERSON GORDON: Yeah.

2 BOARD MEMBER ODBERT: If I leave, do I
3 upset anything?

4 CHAIRPERSON GORDON: We are not voting on
5 this item, so you can go, I think. Right,
6 Heather?

7 MS. BAUGH: Absolutely.

8 BOARD MEMBER MARTINEZ: There are a
9 couple of us on that same boat.

10 CHAIRPERSON GORDON: Yeah.

11 MS. BAUGH: Can I just remind everybody,
12 before they start filtering out, Form 700s are
13 due in three days.

14 CHAIRPERSON GORDON: And we need to do
15 new ones, right?

16 MS. BAUGH: Yeah, so every year. If
17 you've done it, still do it. Just a reminder,
18 PIN Kate and you can call me, and I'll help you
19 with it.

20 CHAIRPERSON GORDON: I have not done
21 mine, yet, so I'm not a good model on this, but I
22 will get it.

23 BOARD MEMBER MARTINEZ: When are they
24 due?

25 CHAIRPERSON GORDON: You can go. If

1 everyone else can stay for just --

2 MS. BAUGH: So, your Form 700s are your
3 ethical disclosures for Gibson Income.

4 BOARD MEMBER MARTINEZ: When are they
5 due?

6 MS. BAUGH: They're due April 1st.

7 CHAIRPERSON GORDON: April 1st.

8 Okay, five minutes on this item and then
9 we will try to -- all right, Jack remind us,
10 everyone now has to stay. If you have don't have
11 a flight, you have to stay.

12 (Whereupon, Board Members Odbert,
13 Martinez and Ray depart the meeting.
14 Ex Officio Board Member Weisenmiller also
15 departs, but CEC Chief Deputy Director
16 Drew Bohan appears in his stead.)

17 MR. BASTIDA: This is just a quick --
18 I'll try to be as quick as possible. For, when
19 you go to a contract for government to do a scope
20 of work for what you're trying to achieve, for
21 the audit, one of the main tasks is to put the
22 CODs to obviously commission and review an annual
23 independent audit of the job creation fund. And
24 a selection of completed projects to assess the
25 effectiveness of the expenditures in meeting the

1 objectives. So, for the Provision 1643.

2 The over-arching objectives are, in the
3 PRC 26200, are to create good paying, energy
4 efficiency and clean energy jobs in California,
5 put Californians to work by updating schools and
6 public buildings to improve their energy
7 efficiency, and make ever clean energy
8 improvements that create jobs and save energy and
9 money, promote the creation of new private sector
10 jobs in approving the energy efficiency of
11 commercial and residential buildings, achieve the
12 maximum amount of job creation and energy
13 benefits with available funds, supplement,
14 complement and leverage existing energy
15 efficiency and clean energy programs, create
16 increased economic and energy benefits in
17 California, in coordination with the CEC and the
18 California Public Utilities Commission. Provide
19 a full accounting of all the money spent and jobs
20 and benefits achieved, so the programs and
21 projects funded presented to this Division can be
22 reviewed and evaluated.

23 Knowing that, we go through the
24 objectives of the agreement, which we are looking
25 to enter into with our contractor, with an

1 interagency agreement with the California State
2 Controller's Office.

3 And for that, they are tasked with giving
4 us certain deliverables and tasks. Most of the
5 first task is just agreement management, making
6 sure that we're all on the same page for this
7 audit. And making sure that we know what kind
8 of progress reports we're expected to give on how
9 the audit is going.

10 For the technical tasks, we've kind of
11 divided it into two types of audits. There's the
12 financial audit of the Job Creation Fund, kind of
13 what Board Member Sakurai was alluding to earlier
14 on. It's just really an accounting of all the
15 different financial reports that are available on
16 the Fund.

17 And with that, they need to draft an
18 audit plan and estimate the hours to complete the
19 audit, an estimated schedule for completing the
20 audit.

21 Before, I didn't have that in the actual
22 contract, but with the suggestions of some of the
23 Audit Committee, I think that was a good thing to
24 do. And the Controller's Office agreed to that
25 stipulation.

1 Let's see, so task three is the program
2 audit of the Job Creation Fund. This objective
3 is to assess the effectiveness of expenditures
4 incurred for completed Job Creation Fund
5 projects.

6 So, this is where we look at a selection
7 of projects and see how they're doing. And from
8 that we pretty much look at the Public Resource
9 Code as our guide to make sure that these LEAs
10 are adhered to, all the specific guidelines set
11 forth in the Public Resource Code.

12 One of the examples is to look and make
13 sure they don't use sole-source processes.
14 Another is to make sure that the expenditure plan
15 to the Energy Commission is consistent with the
16 priority of eligible products within its
17 jurisdiction.

18 Lastly, we look to make sure that there's
19 not a project overhead excess at four percent of
20 the total funding. That's possibly part of the
21 project.

22 So, it's just all these different rules
23 that are already set up in the Public Resource
24 Code. We're going back and making sure they're
25 all being adhered to by the LEAs.

1 It's not just the Energy Commission that
2 we're looking at. Obviously, we're looking at
3 the Community College Districts, making sure that
4 all of their -- that their implementation
5 guidelines are being met.

6 And then, lastly, we look at -- since
7 this is mostly, this part is mostly about
8 projects, we also take a look at the California
9 Workforce Development Board to review the job
10 numbers on that.

11 We're just verifying the underlying data.
12 We're not looking at any of the example -- or any
13 of the formulas they use to gather those jobs.

14 So, we're basically just going back and
15 making sure all of these deliverables are being
16 met and all the projects are doing what they're
17 supposed to be doing.

18 And I can answer any questions, if anyone
19 has any.

20 CHAIRPERSON GORDON: Steve, do you want
21 to add anything, just in terms of, you know, one
22 of the things we've discussed in past meetings is
23 sort of is this a program audit or is this a
24 program audit? I would just love your sense,
25 having now looked into this a fair amount, of

1 what you think the audit will be.

2 BOARD MEMBER SAKURAI: Both.

3 CHAIRPERSON GORDON: Great.

4 BOARD MEMBER SAKURAI: So, I think that's
5 where we're looking for the advice of legal
6 counsel, as well. But a financial person's read
7 of the statute leads me to believe it's both.

8 I think one of -- so, I think it's a good
9 first cut. One of the things I want to
10 understand, you know, we're not going to be able
11 to audit every single project.

12 MR. BASTIDA: Right.

13 BOARD MEMBER SAKURAI: Every individual
14 audit we go into. So, there needs to be some
15 sampling. And what I'm hoping to get from this
16 next cut is how many hours will it take to look
17 at a sampling of CEC, a sampling of Community
18 College.

19 And then, you know, I'm not sure if there
20 is a materiality standard that goes into the
21 audit. But when we can start to look at three as
22 a percentage of 300 plus, it's not as big of a --

23 MR. BASTIDA: Yeah.

24 BOARD MEMBER SAKURAI: I want to make
25 sure that the dollars are really addressing, you

1 know, the big dollars that are flowing out, and
2 are they achieving the programmatic goals?

3 MR. BASTIDA: One of the things I really
4 wanted to include in this audit was -- or this
5 contract for the audit is to make it clear that
6 it's -- we want to put as much kind of decision
7 making in our hands, right up until the
8 Controller's Office kind of steps in and does the
9 audit.

10 So, I built in that the contract manager,
11 which I am being for this audit, will be
12 directed, through the Board, to kind of look at a
13 selection of projects that we feel kind of best
14 estimates the overall picture.

15 Because the Energy Commission had, you
16 know, not that many completed projects this year,
17 I'm thinking that we might want to gear our look
18 at the Community Colleges, since they're a little
19 bit farther ahead of completed projects.

20 But all of that can be kind of discussed
21 and recommended by the Board, and then we can
22 take those recommendations into account.

23 BOARD MEMBER SAKURAI: You know, the key
24 thing is we're not a committee. But in terms of
25 continuity of standard, I'd like to ask the

1 Controller's Office is to tell us how much their
2 estimate is to do one project.

3 MR. BASTIDA: Right.

4 BOARD MEMBER SAKURAI: And what does --
5 you know, what does that specific scope look
6 like. And then we can determine, all right, so
7 that \$300,000 will get us 20 projects or \$300,000
8 gets us five. They need to come up with that,
9 first.

10 MR. BASTIDA: Yeah.

11 BOARD MEMBER SAKURAI: We need to come up
12 with maybe a staff recommendation on which
13 projects to take a look at for the Board's
14 consideration.

15 MR. BASTIDA: Yes.

16 BOARD MEMBER SAKURAI: So, maybe an
17 option memo, a staff report that says --

18 MR. BASTIDA: Yes, exactly.

19 BOARD MEMBER SAKURAI: -- here's the
20 amount budgeted. Here's what that buys you in
21 terms of number of projects.

22 MR. BASTIDA: Right, exactly.

23 BOARD MEMBER SAKURAI: Here's how deep it
24 is in terms of their review. Does it include the
25 programmatic side in the analysis of the SIR.

1 MR. BASTIDA: Yeah. No, I really want to
2 make the flexibility in this contract so that
3 they have to come back with that data before they
4 are able to, you know, bill us for the audit.

5 BOARD MEMBER SAKURAI: Well, even before
6 they bill us.

7 MR. BASTIDA: Yeah, yeah.

8 BOARD MEMBER SAKURAI: Because we want to
9 make sure that this Board has an opportunity to
10 opine on --

11 MR. BASTIDA: Right.

12 BOARD MEMBER SAKURAI: -- you know, big
13 projects.

14 MR. BASTIDA: Yeah.

15 BOARD MEMBER SAKURAI: Maybe the Board
16 wants to do more with CEC, as opposed to the
17 Community Colleges.

18 MR. BASTIDA: Yeah.

19 BOARD MEMBER SAKURAI: Maybe they want to
20 see the first one from -- but to be able to
21 understand what the cost is for each individual
22 project will help us come up with a really
23 targeted and appropriate scope.

24 MR. BASTIDA: Yeah, that's my
25 recommendation is just for the next meeting

1 basically go through kind of those steps, and
2 those -- we'll have more time, now that the
3 report is over, to go through and design an audit
4 plan with the Controller, with me, with the
5 Board, and make sure we're all on the same page.

6 But this language is basically just to
7 put the contract in motion. It technically has
8 to be voted in by a Business Meeting, for the
9 California Energy --

10 BOARD MEMBER SAKURAI: Commission.

11 MR. BASTIDA: Yeah, Commission, that's
12 it. So, the idea is to do that at a June
13 Business Meeting because the funding for the next
14 year will begin in July. So, we want to use the
15 funding for this last year, before the funding
16 for the new fiscal year hits. Because then we
17 won't -- we'll be able to use the next year for
18 the next, and so forth.

19 BOARD MEMBER SAKURAI: So, it will be
20 \$300,000 that's coming from the CEC.

21 MR. BASTIDA: That's correct, yes.

22 CHAIRPERSON GORDON: So we, having lost
23 our quorum, which was my fault, we cannot vote on
24 anything ourselves today. Do we need to vote at
25 the next meeting on -- do we need to vote on

1 something in order for this to go to the Business
2 Meeting? I mean, we did create -- I mean, we
3 know this our responsibility. I don't know what
4 we have to do, Heather. I'm sorry, I'm getting
5 tired.

6 MS. BAUGH: It's okay. And I still have
7 your subject in front of me. What I would
8 recommend is why don't we talk offline about how
9 you might develop a scope of work, looking at
10 what you've already done, to kind of be
11 responsive to this inquiry.

12 You know, the Controller's Office is very
13 used to auditing bond programs. They typically
14 look at what the guidelines say and they say did
15 you do what your guidelines said? No, yes.
16 Okay, you're not programmatically consistent.
17 And then they look at financially whether you in
18 fact have proof in your files for the payments
19 that were made. Those are two things they
20 generally do.

21 You may want something more because you
22 can ask to do this audit. You may want it to be
23 more narrowly focused on a specific group within
24 the constituent of programs that you're asked to
25 look at.

1 So, I think what you can do at the next
2 meeting is come back with a proposed interagency
3 agreement that would be responsive, and we can
4 work with individual members, offline, to see if
5 that document meets the kind envision of an audit
6 that they have. And then, we'll bring that draft
7 for their consideration. Okay, if that's helpful
8 for you.

9 CHAIRPERSON GORDON: That is helpful.

10 MS. BAUGH: Yeah.

11 CHAIRPERSON GORDON: Thank you.

12 BOARD MEMBER HARRIS: Hi, Kate?

13 CHAIRPERSON GORDON: Yes, Arno, go ahead.

14 BOARD MEMBER HARRIS: It's Arno. I
15 apologize, I've reached the end of my
16 availability, so I'm going to drop off.

17 CHAIRPERSON GORDON: Okay, thank you very
18 much. We will -- and congratulations, Arno.

19 BOARD MEMBER HARRIS: I appreciate the
20 accommodation. Thank you.

21 CHAIRPERSON GORDON: Congratulations on
22 the baby, very exciting.

23 BOARD MEMBER HARRIS: Thank you, thank
24 you.

25 MS. BAUGH: So what I would recommend,

1 too, is we're not going to have another moment
2 where we discuss the document and sort of edit it
3 from the dais. Kate will bring something that
4 you've seen and it's fixed up. And it's
5 possible, given the budget that you have,
6 \$300,000 is not going to get you a very deep
7 audit and it's not going to get you -- I mean,
8 just from my practical experience, you're not
9 going to get are you meeting some targeted energy
10 goals that Prop. 39 has. What you will get at is
11 are they consistent with their programmatic
12 guidelines and are they spending the money as
13 they're supposed to.

14 BOARD MEMBER SAKURAI: Well, and that's
15 what I want to talk about is, you know, rather
16 than going across the board and having the same
17 level of audit on everything, taking those
18 dollars and concentrating a little deeper on a
19 number of projects.

20 MS. BAUGH: Uh-hum.

21 BOARD MEMBER SAKURAI: And so, basically,
22 asking staff to come up with some options.

23 MS. BAUGH: Yeah.

24 BOARD MEMBER SAKURAI: What does the
25 across-the-board look like? How deep does it

1 go.

2 MS. BAUGH: Uh-hum.

3 BOARD MEMBER SAKURAI: Versus if we chose
4 a number of projects -- I think we need a little
5 bit more information from the Controller's Office
6 to do that. If you wanted to dive really deep
7 on, you know, a smaller subset --

8 MS. BAUGH: Right.

9 BOARD MEMBER SAKURAI: -- what does that
10 get us? How much does it cost? How many
11 projects can we look at if we do that?

12 MS. BAUGH: And we can certainly -- we
13 will make sure that we work offline with you to
14 give you those options and kind of have a sense
15 of where they go, and make sure all the Board
16 members are aware of what those options are
17 before the final is provided, the final proposal
18 that you will vote on.

19 You know, I would suspect that the
20 Controller's Office will tell you, if you
21 identify the projects you're going to audit,
22 those will turn out to be perfect because you've
23 identified them, so they'll go back and make sure
24 their files look great. So, they will probably
25 tell you to try to do a sampling in a smaller,

1 more narrow way, without being so prescriptive.

2 But what I would recommend is that Jack
3 work with you offline to get some options on the
4 table for you relative to that budget, and you
5 guys can talk about which one is the most
6 favorable. And then, we can make sure that all
7 the Board members have that information, in a
8 one-way conversation, as opposed to the sort of
9 serial discussion, so that you're not editing it
10 and seeing it for the first time in June.

11 BOARD MEMBER SAKURAI: Okay.

12 CHAIRPERSON GORDON: That would be great.
13 Definitely would like to see it ahead of the next
14 meeting and have the opportunity -- enough
15 opportunity for the Board Members really to
16 address it for the next meeting, with the options
17 that you're able to put on the table. That would
18 be great.

19 MS. BAUGH: Okay. I'll make sure that
20 Jack and I coordinate with you, and with Kate to
21 have that conversation.

22 BOARD MEMBER SAKURAI: And also, Walkie.
23 Well, I guess that's two, so yeah --

24 CHAIRPERSON GORDON: No, it's okay, they
25 can coordinate with us one-on-one. We just can't

1 all coordinate together.

2 MS. BAUGH: I'll help them figure it out
3 so that everybody can have the information that
4 they need.

5 BOARD MEMBER SAKURAI: Very good.

6 MS. BAUGH: Yeah, it won't be a problem
7 with the three and the two.

8 CHAIRPERSON GORDON: That's great. And
9 we will address this issue of the committees at
10 the next meeting, as well.

11 Great. But this is a really good start
12 and I appreciate that you were able to start
13 thinking about this during the whole report, so
14 thank you. It is an important function.

15 It doesn't have a specific deadline, as
16 far as we can tell, right?

17 MR. BASTIDA: It just says annually, so
18 as long as we get it in by this year.

19 CHAIRPERSON GORDON: But we should -- I
20 mean, this is obviously our major focus right
21 now.

22 BOARD MEMBER DIAS: Is that by July or by
23 the end of the year?

24 MR. BASTIDA: Of course.

25 CHAIRPERSON GORDON: Oh, yeah, fiscal

1 year or --

2 MR. BASTIDA: It just says "annually", so
3 you can interpret that as you want.

4 (Laughter)

5 MR. BASTIDA: It doesn't say fiscal year,
6 it just says annually.

7 MS. BAUGH: Let's start with having the
8 contract put in place, because that's also going
9 to depend on when the auditors can finish their
10 work.

11 CHAIRPERSON GORDON: Okay. This will
12 take a while, I'm sure.

13 MS. BAUGH: All right.

14 CHAIRPERSON GORDON: Okay, no voting on
15 that item. We do still have public comment.
16 Phil, do you want to say anything? Stepping out
17 until the end.

18 Is there any public comment from the web
19 or anywhere else?

20 MR. BASTIDA: There's only two people on
21 and I think they're --

22 CHAIRPERSON GORDON: Okay. So, no
23 public comment I -- we can -- I can entertain a
24 motion to -- do we move? I guess we can.

25 MS. BAUGH: You can conclude the meeting.

1 CHAIRPERSON GORDON: I can just conclude
2 the meeting. I'm the Chair, I can just conclude
3 the meeting.

4 Well, I just want to thank everyone
5 again. This has been a long meeting, but a
6 really important one. And I think a lot of
7 progress has been made and I'm very impressed by
8 what we've been able to do in the short time
9 we've been meeting. So, thank you.

10 And now, we'll conclude the meeting.
11 Thank you, everybody.

12 (Adjourned at 5:35 p.m.)

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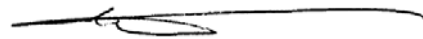
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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of April, 2016.



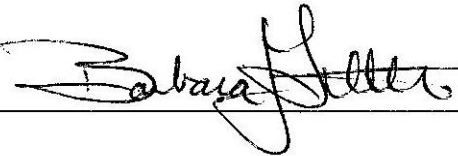
PETER PETTY
CER**D-493
Notary Public

TRANSCRIBER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of April, 2016.



Barbara Little
Certified Transcriber
AAERT No. CET**D-520